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9 OCTOBER 1986

SOUTHEAST ASIA REPORT

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THAILAND

NAVY TO PURCHASE BELL HELICOPTERS FROM U.S., SIDESTEP FMS

Direct Commercial Purchase Sought

Bangkok THE NATION in English 22 Aug 86 pp 1, 2

[Text] The Thai Armed Forces, for the first time, has sought a "direct commercial purchase" from the US of five utility helicopters for the Royal Thai Navy using the American Foreign Military sales (FMS) credit financing as guarantee for the deal worth US\$33 million.

The Royal Thai Navy seeks to fulfill the procurement based on what it calls "the urgency for new helicopters," bypassing the normal practice of purchase provided under the US FMS credit funding.

According to highly-placed sources, the request for the "direct commercial purchase" of five Bell 214ST utility helicopters was earlier proposed to the Joint United States Military Advisory Group in Thailand (JUSMAG). But JUSMAG rejected the Royal Thai Navy's request saying that it was "unprecedented."

The RTN later asked the Supreme Command to intervene. A key Thai military figure later sought talks with a top American diplomat in Bangkok to seek support for the direct commercial purchase. The military officer urged the envoy to have the deal approved by Washington as a "special case."

The sources said that the American diplomat subsequently relayed the request to the State Department to approach the Pentagon for approval.

JUSMAG Thailand would not comment on the arrangement, saying only that the issue was still being negotiated between the RTN and US military authorities. Sources said that the Thai navy has to provide more details of the arrangement before the Bell helicopters could be supplied.

Thailand annually buys military hardware from the US under the FMS terms for which interest rate is believed to be 9.5 per cent per annum. The rate is higher than sales to other US allies such as Israel, Egypt and other nations.

Sources said that there was some pressure for approval of the direct purchase. JUSMAG Thailand late last month informed Thai Navy Commander-in-Chief Adm Nipon Siridhara that Pentagon has approved the request.

"As a result of continued negotiations with

Defence Security Assistance Agency, your requested purchase of five Bell 214ST utility helicopters utilizing FMS credit financing has been approved," said the JUSMAG letter.

But it pointed out that "there are, however, several further items of information of which you should be advised."

The JUSMAG pointed out that US Security Assistance Policy requires that national funds be used for direct commercial contracts. "FMS credits are reserved for FMS purchases. Henceforth, all FMS credit purchases must be made utilizing the FMS system."

The JUSMAG reminded the Navy commander-in-chief that "Thai national funds may continue to be used, of course, for commercial purchases of US manufactured military equipment."

"An exception to this policy has been made in this case. Be advised that this exception to policy will be the final exception concerning FMS credit financing for direct commercial contracts," said the JUSMAG letter.

The JUSMAG's Navy Division, however, said it remains available at the Thai navy's convenience "should it require any further explanation on this matter."

The letter was signed by the chief of the Navy Division Captain LaRon L. Stoker, who, however, was not available for comment. Stoker is believed to have left Bangkok yesterday after taking part in the Cobra Gold '86 joint Thai-US military exercises, which ended recently.

The deal had earlier been put up for bidding by the Thai navy. There were two contenders — Commercial Associates Co Ltd representing Bell Helicopter, which is a unit of Textron Inc, and a local representative of Sikorsky helicopters manufactured by United Technologies Corp.

Supreme Commander Gen Arthit Kamlang-ek earlier visited Bell headquarters and bought two

of the same model. Actually, the Thai army was to buy four Black Hawk helicopters produced by Sikorsky but the decision was reversed at the last minute.

Sikorsky proposed five Black Hawks to the Thai navy initially at five per cent higher price at the bidding held three months ago while Commercial Associates proposed US\$33 million. Sikorsky said the higher price was due to a better support system.

The Royal Thai Navy rejected Sikorsky Black Hawks saying that they were not in compliance with the specifications. The Sikorsky representatives later cut down the offer to US\$32.8 million with the removal of certain avionics and back-up system not required under the navy's specifications. The offer was still rejected, however.

The Sikorsky representatives suggested to the Thai navy that Black Hawks, with armoured plate covering their bodies, would perform better even during night flights, particularly for rescue missions as they have better communications and guidance system.

If the deal goes through, the Thai navy would spend its own fund for the direct commercial purchase but the FMS credit funding will be used as guarantee. Bell could be assured that payment would be fulfilled.

The Bell 214ST model can carry 18 passengers. The Thai navy is making arrangement for a "committed budget" with approval from the Cabinet.

Newly-appointed Defence Minister ACM Panieng Kantarat is already aware of the issue, but he is still awaiting a formal proposal from the navy. There were

reports from his close aides that the minister was not pleased with the arrangement.

Sources said that if ACM Panieng rejected the proposal, the issue would be referred back to the Thai navy. Adm Nipon is due to retire at the end of this month and the new commander-in-chief has to decide whether to pursue the matter or not.

However, the final decision still rests with the Cabinet.

Chief of the Naval Secretariat Rear Admiral Dilok Patrakosol told *The Nation* that the decision to buy the five Bell 214ST helicopters was made following a long period of consideration. "We have learned that the US military authorities have already approved the sales," he said.

He said the procurement was under a committee chaired by Vice Admiral Siri Surirangsi. "After considering other models, the committee decided to pick Bell," said Dilok.

The committee is making final arrangements before approval by Adm Nipon and the Defence Ministry. The proposal is expected to be submitted to the ministry soon.

He insisted that the Royal Thai Navy urgently needs new helicopters, especially for operations on the Thai-Kampuchean border in Trat Province and the southern region. The Royal Thai Navy currently has only six helicopters which must be replaced because they have been in service for more than 10 years.

Dilok explained that the direct commercial purchase from the manufacturers have certain advantages. "If we acquire the choppers under the FMS, there would be no firm delivery period. Besides, we have to pay about US\$3 million in administrative expenses. That's why we have bypassed the FMS arrangement," he pointed out.

He also claimed that the direct commercial purchase would be cheaper.

But it remains indefinite that the Royal Thai Navy can succeed in the procurement because approval rests with the Defence Ministry and the Cabinet.

Decision Confirmed

Bangkok THE NATION in English 8 Sep 86 pp 1, 2

[Text] A Senior official of the Royal Thai Navy (RTN) confirmed yesterday that the RTN has decided to buy five US Bell helicopters after Navy Commander-in-Chief Adm Nipon Siridhorn returned from Britain to face questions about the controversial US\$33 million deal.

RTN Secretary Rear Adm Dilok Pattarakosol said the proposal to buy the Bell 214ST helicopters is being considered by the Supreme Command. The Navy will immediately seek an endorsement from the Cabinet as soon as the proposal is processed by the Supreme Command.

Informed sources said the purchase will be "unprecedented" as it will be done outside the US Foreign Military Sales programmes through which the Thai armed forces obtain their weapon systems from the US. But the RTN wants the FMS funding as the guarantee for the

purchase.

The proposal has become an embarrassment somewhat for the Joint United States Military Advisory Group in Thailand which reluctantly approved the direct commercial purchase of the Bell utility helicopters though they are no longer in the US defence inventory.

The US FMS funding is US\$92.5 million for Thailand to acquire military hardware during fiscal 1986 and not much is left for the Navy to fulfil the procurement.

The direct commercial purchase was followed by a complaint from

9 October 1986

Sikorsky, whose Black Hawks have been offered to the Navy. Bell offered US\$33 million while Black Hawks originally were five per cent more expensive. The committee handling the procurement accepted Bell on grounds that they are cheaper.

However, Black Hawks' price was later cut to US\$32.8 million but the Navy refused to accept, saying that it would not be fair to Bell.

Sikorsky representatives later complained to Defence Minister ACM Panieng Kantarat who asked the Navy to explain why it refused to accept the Black Hawks now that they are cheaper than Bell.

ACM Panieng is not happy about the direct commercial purchase as the Supreme Command has set a directive that all military hardware from the US must be procured through FMS facility.

What is more important is that the Navy wants to use the FMS credit for fiscal 1987 to partly cover the deal for Bell. Navy sources said that Thailand has yet to know what is the amount of the FMS to be granted to the country in fiscal 1987.

"It is like when you want to buy cars but still do not know how much money you can raise," commented a navy officer familiar with the proposed Bell deal.

The Navy proposal is still at the Supreme Command which will decide in the next few days whether to forward it to the Defence Ministry or to refer it back to the Navy for clarification.

"The Navy has to explain why it refused to accept the Black Hawks' price reduction because the procurement was considered as a special method. By this, it has to consider the lowest offer for the country's interest."

By refusing to discuss the price cut, it looks as if the Navy is protecting Bell's interest," said the same officer.

Procurement by special method must have certain criteria. It must be based on urgency. It must be vital. There must be one type of product and it could not be disclosed for military and security reasons. The Bell deal comes under this category.

This is one of four types of procurement. The first is to buy through price screening. The second is through bidding and the last is procurement as special case, which cannot be opposed because this type of procurement is between government units and state enterprises.

The Supreme Command will raise a number of questions for the Navy to give clarification on. "At present, the Navy finds it difficult to explain why it refused to negotiate the price cut offered by Black Hawks," said a Supreme Command officer.

By having committed the FMS funding in fiscal 1987, it would be difficult for the Thai Armed Forces to work out the allocation of FMS credit. Normally, the Army will have 50 per cent with the remaining to be divided between the Air Force and the Navy.

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CSO: 4200/8

THAILAND

CHUAN: FARM ACT HURTS THAI-U.S. BOND

Bangkok THE NATION in English 12 Sep 86 p 5

[Text] House Speaker Chuan Leekpai yesterday sent a letter to his American counterpart, amplifying the adverse repercussions from the enactment and implementation of the rice and sugar provisions of the Farm Act on the Thai farming population--a "colossal wave" on the economic as well as political situation of the country. Following is the full text of the letter submitted to the U.S. Embassy yesterday:

Dear Mr Speaker,

As the elected Speaker of 347 newly-elected Members of Parliament representing 52 million Thai citizens, I write this letter seeking your attention and understanding concerning a law that the United States Congress has passed which has an adverse economic and political impact on my country.

I refer specifically to the rice and sugar provisions of the Food Security Act of 1985 (Farm Act).

The passage and implementation of the Farm Act has caused considerable concern and controversy among Thais who for decades consider the United States as a reliable friend and ally as well as guardian of freedom, democracy and free trade.

Permit me, sir, to outline our people's concerns, item by item.

Like the United States, Thailand is one of the major exporters of rice in the world market. Together, the United States (15.9 per cent) and Thailand (33.3 per cent) supply nearly 50 per cent of a narrow world market totalling about 12 million tons.

The heavy subsidies of the Farm Act are intended to make American farm products more competitive on the world market and are aimed primarily at countering decades of chronic

farm export subsidies of the European Community.

The view of our respective governments differ as to the exact impact of the rice provisions but the hard fact we are facing in Thailand is that for the average rice farming family, whose annual income amounts to just \$950 a year, their income has dropped 20 per cent since December last year.

Putting aside the economic impact, there is no doubt that the implementation of the rice provision of the Farm Act is causing considerable adverse political impact in this country.

Rice is a most sensitive issue in my country as 23 million Thais (3.3 million families) rely on this grain as their source of daily livelihood. We realize that the American farmers of, which there are between 30,000 to 40,000 rice farmers, are suffering as well from depressed world prices.

We also realize that as representatives of your people, you need to act in an attempt to correct the unprecedented budget and trade deficit in the United States.

But to be frank, decreased American rice sales are not the fault of Thailand, but are the result of past American policies.

And now that the United States is trying to correct these policies, aimed primarily at the European

Community, long-standing ties and goodwill built up over 150 years with Thailand, not to mention other friendly allies in the Asia-Pacific region, are being affected.

Mr Speaker, as a developing nation Thailand is faced with a multitude of economic and political problems, some of which are not of our own doing.

Thailand is now the frontline state confronted with a communist Indochina. Vietnam, pumped daily with millions of dollars in aid from the Soviet Union, has for the past eight years occupied Kampuchea, a war-torn country with which we share a common border.

As a result of the years of turmoil in Indochina, we shoulder an additional burden of hundreds of thousands of Kampuchean, Vietnamese and Laotian refugees and displaced persons living in our country.

We are fighting a scourge of all nations--narcotics trafficking -- a despised evil and killer in the United States. But as a friend and small nation trying to carry its share of world responsibilities, we carry this burden willingly.

But, Mr Speaker, the economic and political impact of the rice provisions, small though it may seem in American eyes, is not just a ripple, but a colossal wave for my countrymen.

Not long after the rice issue has subsided in Thailand, for the moment at least, another controversy arose last month when the US Commodity Credit Corporation, acting under the sugar provisions of the Farm Act, sold about 150,000 tons of sugar to China.

Again, it cannot be said for certain what the exact impact of the sale had on Thailand, also a sugar exporter, since world prices have been declining steadily since March this year. But the sale must have had some impact because during the period of seven days before and after the sale, world prices dropped by 14 per cent. Combined with news that another 250,000 tons of American sugar will be released onto the world market before the end of the year, this is certain to affect world prices.

As a small sugar producer, again a small wave like this as far as America is concerned, is a wave which overwhelms us.

Mr Speaker, I realize that Farm Act is now a public law and under the present circumstances, with the top-level multilateral trade negotiations (General Agreement on Tariffs and Trade) aimed at forging new international rules governing global trade presently underway in Uruguay, attempts to amend the Farm Act now is untimely.

But as the Speaker of a Parliament in a budding democracy which dearly needs a stable economic and political environment to survive, I urge and implore you, as the Speaker of the world's most powerful legislature to give us your attention and help.

I hope that at an appropriate time, and hopefully not in the too distant future, perhaps after the November elections, and with your continued inspiration, your colleagues will initiate, or at least view favourably any attempts to repeal or lessen the impact of the rice provisions of the Farm Act.

As for sugar, we ask that you use your good offices to assist Thailand by increasing our quota

of sugar imports to the United States, which according to your law must be reduced by next year, should other countries fail to meet their quota.

We understand that a part of South Africa's sugar quota has already been shipped but that about 23,000 tons remain to be allocated. If Thailand could be given this amount, it would help make up the expected reduction in our quota which now stands at about 24,000 tons a year—a mere 1.4 per cent of the total 1.8 million tons of world sugar imports into the United States.

I also ask, Honourable Sir, that when the US House of Representatives ponder future trade legislation, it keeps in mind the possible adverse effects on Thailand, a proven and staunch ally of your country in Southeast Asia.

I refer specifically to the new trade legislation, the Omnibus Bill (HR 4800) which your House of Representatives has already passed. We realize that your previous decision cannot be reversed but we understand that it will be early next year by the time the US Senate deliberates on its own version.

We ask that when your colleagues go into conference to come up with a joint version of this bill, they will think of and remember Thailand and keep out any adverse provisions, minor "waves" that will have a colossal effect on our country.

Mr Speaker, I write this letter with the full realization that you will be retiring at the end of this 99th Congress. I hope that with your wise leadership, you will inform your colleagues of our concern and difficult situation. Perhaps when they return to their business early next year, they will be reminded of your advice and our request.

Thank you for your kind attention. I am eagerly waiting for your favourable consideration.

Sincerely yours,

Chuan Leekpai

THAILAND

COLUMNIST SEES MORE FAVORABLE SRV VIEW OF THAILAND

Bangkok DAILY NEWS in Thai 19 Aug 86 p 2

[Around the World column by Udon Hongthapthim: "Vietnam in the Truong Chinh Era"]

[Excerpt] Vietnam's hard attitude toward China and Thailand has softened greatly. This can be seen from the fact that Vietnam and the Soviet Union are trying to improve relations with China. However, it will be very difficult to do this in practice because of the three conditions set by China. Neither the Soviet Union nor Vietnam can agree to those conditions. In the case of Thailand, Mr Pham Van Dong, the premier, sent congratulation to Gen Prem Tinsulanon on his reappointment as prime minister and expressed the hope that his reappointment will open up a new era of friendly and cooperative relations between the two countries. In his letter, Mr Pham Van Dong added that Vietnam will respect Thailand's independence, sovereignty, and integrity.

Besides the letter from Premier Pham Van Dong, the Vietnamese foreign minister, Mr Nguyen Co Thach, sent a letter to Air Chief Marshal Sitthi Sawetsila, who has been reappointed minister of foreign affairs. The letter stated that Vietnam will withdraw 140,000 troops from Cambodia by the end of 1990.

Air Chief Marshal Sitthi said that the Soviet Union has changed the direction of its foreign policy and is taking a more friendly attitude. This has given Vietnam greater "incentive" and will help put the negotiations on the Cambodian crisis on the right track. Vietnam has been anxious to negotiate ever since it realized that it cannot defeat the Khmer coalition and the Soviet Union began working to improve relations with China.

Thailand stands to benefit from the fact that the Soviet Union has changed the direction of its foreign policy and taken a more friendly attitude.

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CSO: 4207/324

THAILAND

COLUMNIST CALLS FOR CULTURAL TIES WITH PRK, SRV

Bangkok DAILY NEWS in Thai 21 Aug 86 p 2

[Around the World column by Trairat Sunthonpraphat: "The Path of Survival"]

[Text] It is well worth keeping an eye on the new movement by the Indochina countries. The foreign ministers of the three Indochina countries have been told to relax the tension with neighboring countries, particularly Thailand. This is welcome news. Making friends is better than making enemies.

Even though Vietnam has not made a clear statement on the Cambodian problem, the new leader of Vietnam would like to get Vietnam out of this shameful war. The Soviet Union, Vietnam's "elder brother," is tired of this, too. Gorbachev has indicated quite clearly that he wants to be friends with all countries rather than create problems. This can be seen from the fact that the Soviet Union and China have moved much closer to each other on several fronts. Moscow is prepared to make various adjustments in order to reduce the conflicts with its neighbors and other countries with which it can associate, which includes Thailand.

Vietnam claims that it has withdrawn some of its troops. Some troops may have been withdrawn. But in the case of others, it is just a troop rotation, with fresh troops sent in to replace troops that have been in Cambodia for a long time. It is worth noting that during last year's dry season, Vietnam carried on very few military operations in Cambodia. That is a good sign. It indicates that Vietnam would like to withdraw and have the Heng Samrin group handle things itself. But Heng Samrin can't stand on his own without Vietnamese support.

The claims concocted by Vietnam and Heng Samrin contain little that is new. They continue to condemn Pol Pot and the Khmer Rouge. Vietnam has, however, expressed a willingness to negotiate with China at any time and at any place. If Vietnam and China do resolve their differences, this region will be a wonderful place free of tension. There will be peace and security.

The three Indochina countries have said that they are glad that relations between the Soviet Union and China are improving after many years of conflict. As for Thailand, we have had conflicts with Vietnam, Laos, and the Heng Samrin faction in Cambodia for a long time now. This is a good time to start

developing friendly relations with these three countries. We can begin by stressing trade and then improve relations on other fronts. It won't hurt anything if we have trade or cultural relations. Thailand has very close cultural ties to Cambodia and Laos. If we draw closer, the peoples in those two countries will understand Thailand better. The Lao and Cambodian people won't listen just to terrible stories about Thailand.

Vietnam, which is becoming more and more isolated, is learning a good lesson. And its elder brother, the Soviet Union, is trying to draw closer to China. It does not want enemies on several fronts. Thus, Vietnam must change its attitude and think about improving relations with China and Thailand. As for the Cambodian problem, Vietnam will probably have to let Heng Samrin deal with this by himself more and more.

Thailand must choose the path that will benefit it the most. We will probably share a war reserve stockpile here with the United States. It's good that we won't have to purchase so many weapons. We can use this money to develop the country. We must try to be friends with and trade with both camps. We must have a more independent foreign policy and stop acting like the enemy of other countries. We must stop confronting other countries and ensure that we are safe. We must stop dreaming about relying on giant countries. We must start relying on ourself. We don't have to look too far for examples. Both New Zealand and Australia have distanced themselves from the United States. Let's keep our ears and eyes open from now on.

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CSO: 4207/324

THAILAND

AUSTRALIA'S ACTIONS SEEN AS PRECEDENT

Bangkok BANGKOK POST in English 3 Sep 86 p 6

[Editorial: "A Fair Deal Has Many Sides..."]

[Text]

WHEN Australia recently decided to opt out of the military exercises it had scheduled with the United States, it provided a lesson to countless nations in a similar position. Its effects deserve close observation. Without any mincing of words, Australia has put it straight on the line. If the United States expects its allies to cooperate on the military side of things, its allies have a right to expect their big powerful friend to the north to be fair in trade relations.

The Reagan Administration has placed the military at the top of its list of priorities. New Zealand, which had the temerity to refuse entry to American naval vessels unless assured that they were non-nuclear, is now concerned over possible economic retaliation for its non-compliance with the military obligations under the ANZUS Pact. Now Australia has hoisted the US on its own petard, saying, "If you refuse to recognise the importance of our wheat export markets, which are the lifeblood of our farmers, we cannot possibly maintain the same level of expensive military cooperation which you, up to now, have expected from us."

The Australians are to be lauded for their outspokenness. Earlier this year, when the Farm Act hit our farming industry broadside, Thailand did its duty as a member of the United Nations Security Council in voting against the US over the bombing of Libya. Our government stated in response to the dismay this vote generated in Washington that the action was a genuine expression of national sentiment on the issue alone, and was no

reflection of our nation's displeasure over the possible effects of the Farm Act on our rice exports.

Nevertheless, many people still feel that the message was there. The only thing was, it was not directly stated.

Australia has provided a needed precedent. The US and its legislators are screaming over their trade and budget deficits. And well they should. They are reaching an insupportable level. But just as US borrowing and the huge buying spree of the early 1980s helped the world emerge from its recession, the current hiatus in its growth and the swelling panic over the size of America's indebtedness could even more precipitously send the world economy into the doldrums. Australia has demanded that the US practise the free trade it has been preaching for so long. Otherwise, however strong the US believes itself to be, it will find friends it counts on around the world retaliating in ways they know will have the most effect.

The United States is suffering, currently, from a bad case of myopia. Defined as nearsightedness, this condition renders the sufferer unable to focus on distant objects. Australia and Thailand are very distant nations. As one recent visitor informed us, Thailand is still thought of in relation to the drug trade and Anna, who some Americans still believe is living here. He recommended a strong dose of public relations to heighten our profile. Certainly public relations are one way. But as Australia has shown, there are also others.

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CSO: 4200/8

THAILAND

POST CALLS ASEAN CONSTRUCTIVE, WARNS AGAINST RIGIDITY

Bangkok BANGKOK POST in English 4 Sep 86 p 4

[Editorial: "ASEAN Economic Union in Jeopardy"]

[Text]

THE most constructive development in Southeast Asian affairs since the end of World War II has been the founding of the Association of Southeast Asian Nations. Born in 1967, the Association purports to "forge regional cooperation for the economic, social and cultural progress" of its members. Over the years, however, ASEAN has evolved into what is primarily a political grouping, something that was not envisaged in its Charter. And it is this political dynamism which has propelled ASEAN onto the world stage, given it real life and vigour and made it a factor of peace and stability in Southeast Asia in every sense of the word.

Every ASEAN government has continuously given top priority to the development of the Association. Thailand, especially, regards it as "one of the cornerstones" of its foreign policy. As a result, the ASEAN countries, despite their vast cultural diversity and long history of conflicts between them, have been able to overcome their differences. Today ASEAN stands as a model for regional cooperation among the developing countries, and the world marvels at its success in political cooperation, which is phenomenal indeed.

Because of this success, a form of Southeast Asian economic union would seem a most logical next step. Unlike the European Community, which started out with economic coop-

eration and later transformed itself into a political union, ASEAN found it of necessity to reverse the process. Twenty years ago the question of feasibility was raised — and rightly so — because of the numerous economic and political impediments that militated against economic cooperation among the Southeast Asian countries.

But that was twenty years ago. Now the winds of protectionism are blowing everywhere, especially in the developed countries. At the same time, the developing countries are finding more and more dependency among themselves. This being the case, an ever more intimate relationship in the economic field among the developing countries should have followed. Foreign Minister ACM Siddhi Savetsila has been pushing very hard for an ASEAN economic summit and President Aquino of the Philippines has agreed to it.

The stage was set for exploring the possibility when the ASEAN Economic Ministers met in Manila last week. On their agenda was also the discussion of the plan for the establishment of a common market by the year 2000, or some 14 years from now. But the plan died before it ever really had a chance to be born because one member "was really scared at the idea."

The failure to move forward in the economic field may soon have an impact on progress in the area of political cooperation, which, leaving the Kampuchean problem aside, is being increas-

ingly flawed by divergent policies among members towards the outside world. It is not difficult to see that there is not always complete agreement on every issue. For two decades now, the members of ASEAN have been unable to agree on a common, coherent policy towards the major powers. While Thailand has forged close ties with China, the fear of Chinese domination of Southeast Asia is pervasive in Indonesia. The attempt to establish a common trade and economic policy with the developed countries has also been generally ineffective, as can be seen by the snail's pace progress in ASEAN's relationships with its dialogue partners comprising the United States, the EC, Canada, Japan, Australia and New Zealand.

Of course as ASEAN operates only on consensus, difficulty is to be expected. But what makes the matter vitally important this time is the fact that it really involves a very basic assumption about the nature of ASEAN, which is that ASEAN is to be first and foremost an economic organisation. For the first time in twenty years, there exists an open challenge not just to the technical implementation of the policies, but to the validity of the purposes of the Association itself. There is every reason for ASEAN to rise up to this challenge, or it will run the danger of becoming overly rigid and inflexible and could well lose the international respect it has earned for itself so far.

THAILAND

COMMERCE MINISTER SURAT EMPHASIZES FOREIGN TRADE

Bangkok THE NATION (BUSINESS II supplement) in English 21 Aug 86 p 25

[Text]

COMMERCE Minister Surat Osathanugrah has outlined an eight-point policy on local and international trade which the government will present it to Parliament next Thursday. It emphasizes on the promotion of free trade, cooperation with other units to fight protectionism, and attempts to establish relations with all countries which will include countertrade.

Surat told reporters that the eight-point policy is in compliance with the guidelines set by the prime minister, but it has been broadened to give a clear picture and the means for successful implementation.

The first is for the ministry to seriously promote exports of agricultural and industrial products. The second is to pursue free trade and prevent monopoly. The ministry will gradually introduce deregulatory measures to facilitate exports. Complicated rules would be slashed to the minimum, said the minister.

The third is to establish equitable trade regulations. The fourth is to set export objectives to be compatible with the national economic and social development plan, trade development for the agricultural sector. It will attempt to reduce the country's trade deficit through increase in foreign exchange earnings.

The fifth is to cooperate with the Foreign Ministry in tackling the problems of international trade protectionism, said Surat.

The sixth is for the ministry to

restructure production system to be compatible with the export structure amidst increasing competition in international trade. "So there is the need to adjust ourselves all the time to cope with the changing environment," he said.

The seventh is to coordinate the work of the public and private sectors to achieve those objectives.

Surat said the eighth point is quite new. The ministry will pursue trade with all countries regardless whether they are democratic or socialist nations.

At the same time, it will support countertrade whose role is becoming increasingly important in the international trade scene.

Surat said his ministry will seek coordination with other units such

as the Foreign Ministry. Others to be approached are the Agriculture and Cooperatives, Industry and Defence ministries.

The minister said he would not just seek short-term solutions to immediate problems as in the past. "We will have long-term planning with more initiatives for which details for implementation will be worked out later," he said.

Commenting further on the countertrade, Surat pointed out that developing and socialist countries have turned to more countertrade system, such as Brazil which wants to apply this system on rice imports from Thailand.

Other countries, which manufacture arms for exports, are also interested in counterpurchasing Thai agricultural products, he said.

He said his ministry will coordinate with the Defence Ministry on possible arms procurement through countertrade. "But these issues have to be discussed in the Council of Economic Ministers meetings."

When asked to comment on a proposal of the Agriculture and Cooperatives Minister, Gen Harn Leenanonda, to establish the "National Agriculture Council," Surat, who belongs to the Social Action Party, said that if the issue was to be adopted as a national policy, SAP would ask to see what are the main features and whether they are against free trade, or practicable.

"But I believe the issue may not be included in the policy statement to Parliament," he said.

On the cooperation with the private sector, Surat said he would heed the opinions and suggestions of various trade associations. At the

same time, the ministry also wants them to be aware of the problems facing the country such as difficulties in tapioca exports.

He elaborated that if small tapioca exporters want assistance from the ministry, they cannot expect much because foreign buyers want to deal with large quantities and major firms to reduce operating costs.

"Our country is a free-market economy and traders have to adjust themselves to be competitive all the time," said Surat, who added that there will not be any reversal for the existing free trade policy to other systems unless it is extremely necessary.

The ministry will also rearrange its budget to be more favourable to private business operations, meaning that there would be less control and supervision, he said.

The minister said he still looks for a suitable person to become the managing director of the Public Warehouse Organization. The person should come from the private sector and with reputation for his efficiency and integrity. "He must be a professional manager who can adjust himself well to the PWO structure."

However, the problem is that the PWO is a state enterprise with cumbersome personnel recruitment. The powers of the managing director is also limited, making it less attractive for professional managers to seek the job. "It is the same problem existing in other state enterprises," said the minister.

Surat said he has proposed a list for a reshuffle of senior officials to his deputies before they jointly make a decision.

THAILAND

MINISTER CALLS FOR SETTING UP ARMS PLANT

Bangkok BANGKOK POST in English 22 Aug 86 pp 1, 3

[Text] Deputy Minister of Science, Technology and Energy Dr Pichit Rattakul yesterday called for the mobilisation of natural resources, scientists and experts in a massive research and development project to generate a weapons industry in this country.

In his opening speech at a discussion on "Science and Technology for National Defence" held at Chulalongkorn University yesterday, the deputy minister said that the continuing arms race between western and eastern countries had undergone a rapid technological development.

Should Thailand remain ignorant and refuse to acquire the knowhow and innovative technology from abroad, the country would become vulnerable to external threats, he said.

Stressing the importance of science and technology in national defence, Dr Pichit suggested closer and more effective coordination among governmental agencies involved in research and development of military technology to eliminate duplication of work.

Technology brought into the country should be adapted to fit local needs, he said. An extensive survey should be made of natural resources to be drawn on for

research and developmental purposes.

He specifically called for promotion of iron and steel industries which are the foundations for a weapons industry. He also invited private participants to join the industry.

Meanwhile, the Army wants the Government to amend the law banning arms exports because it hinders the development of a weapons industry, a seminar was told yesterday.

Armaments Centre director Col Pokkrong Nartsevi said the Lop Buri-based arms factory which started up six years ago under a self-sufficiency programme can now produce 60mm, 81mm and 120mm artillery shells.

But since half of the raw materials and components are imported because the plant can neither make them nor afford to set up production facilities to manufacture them, heavy investment would be needed, he said.

Col Pokkrong called on

local industry to produce the parts to supply the Army.

The Air Force also needs private sector cooperation, said Air Vice Marshal Morakot Chansamruay, director of the service's Scientific Weapons System Development Centre.

Air Vice Marshal Morakot said the centre is working on a rocket guidance system and can make several types of ground-to-air missiles, but needs private sector cooperation in components to cut costs.

The Air Force produces 2.25-inch sliding fixed fin rockets, 2.25-inch fixed fin rotating motor rockets, 2.25-inch folding fin rockets and wrap-around rockets.

Professor Preeda Vibulsawadi of the Asian Institute of Technology said that the lack of defence technological development in Thailand had forced this country to spend a huge sum of money each year for arms purchases.

He noted that arms manufacturers normally

charged high prices and made huge profits. He cited as an example the production cost of a jet fighter, priced at around 700 million baht, which he said represented about 10 per cent of the price tag. The remaining 90 per cent represented technological charges and profits.

He said that Thailand would always have to rely on manufacturers abroad for a steady supply of spare parts.

"If it happens that Thailand's foreign policy is in conflict with that of the supplier country, there is a good possibility that the supply of spare parts will be cut," he said. He cited the case of Iran whose American-made aircraft and vessels were useless because of a lack of spare parts.

Professor Preeda said that the development of a weapons industry here would help save a huge amount of the country's foreign exchange, help create more jobs and create new technology which could benefit economic development.

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CSO: 4200/8

THAILAND

SONTEE OPPOSES MOVING CCC TO LEGISLATIVE BRANCH

Bangkok THE NATION in English 11 Sep 86 p 3

[Text]

DEPUTY Prime Minister Sontee Boonyachai has voiced objection to a proposal to transfer the Counter Corruption Commission (CCC) to the legislative branch. But he agrees to some "adjustments" in the authority and role of the commission to improve its efficiency.

In an interview with *The Nation* Monday, Adm Sontee said while he believes that CCC should be still under the executive branch, he also agreed to the idea that the Office of the Auditor-General be placed under the jurisdiction of Parliament.

"This is a common thinking among MPs and I do agree to the idea," he said. He added that CCC was an administrative tool while the Office of the Auditor-General assumed the "watch-dog" role like the

legislative branch.

Adm Sontee has been assigned by Prime Minister Prem Tinsulanonda to oversee the operation of the CCC while Rassadorn leader and Deputy Prime Minister Gen Thienchai Sirisamphan is responsible for the Office of the

Auditor-General.

Referring to the flaws in the CCC's authority and operations, Adm Sontee pointed out that at present the law on CCC allows it to launch investigation into malfeasance cases only after it has received a complaint.

"The question is how to start the investigating procedures when irregularities are sometimes well known but nobody lodges complaint," he said. In other words, he was hinting that a question should be examined whether the CCC should be able to look into cases without complaint.

Referring to the call for an increase in the CCC's investigating authority, Adm Sontee said that this question has to be approached with caution. "If the government gave too much authority to the

CCC, there is a greater possibility that the powers could be abused," he said. "Power is like a sword, it can hurt both the enemy and the man who uses it," he added.

In this connection, Adm Sontee raised opposition to the idea that CCC be empowered to arrest graft suspects. The deputy prime minister said one adjustment that could be effected was the simplification of the procedures for government officials to state their respective financial positions to the CCC as required by the law.

This can be done through the issuance of a decree, he said.

The proposal is now under the consideration of a government-appointed working group to review the roles and authority of the CCC, according to the deputy premier.

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CSO: 4200/3

THAILAND

SUTHEE: SEVERAL TAX CUTS IN 'PIPELINE'

Bangkok BANGKOK POST (BUSINESS POST supplement) in English 1 Sep 86 p 1

[Text]

THE Finance Ministry is proceeding with its plan to revise and restructure several types of taxes to stimulate investment and increase the Government's revenue, with the first tax cut to be announced tomorrow.

In the first official interview with the *Bangkok Post* last weekend, Finance Minister Dr Suthee Singsaneh said several tax cuts were in the pipeline as part of the ministry's plan to restructure various types of taxes.

In the first of a series of announcements, he said the ministry would seek Cabinet approval tomorrow to collect a 15% flat tax on capital gains from sales of debentures listed in the stock market.

At present such capital gains are considered as ordinary income and are taxed at a progressive rate with the ceiling of 55%.

Dr Suthee discussed the issue with several executives of the Securities Exchange of Thailand and said the reduction was expected to stimulate more investment in the stock market.

The taxes are being restructured because of complaints from

individuals and business establishments, which later led to tax evasion and resulted in the Government's inability to collect taxes efficiently.

The minister said also to be restructured were personal and corporate taxes, which were described by various circles as being too high, prompting tax evasion. At present, the personal income tax ceiling is 55%.

He said several details had yet to be considered and reiterated that the current tax structure would be brought down so as to expand its base.

Dr Suthee hinted that the current corporate taxes — 30% for listed companies in the stock market and 35% for others — would be reduced in parity to those in other ASEAN countries and Hong Kong. He declined to disclose the planned cuts.

Dr Suthee said consideration would also be made on the business tax, currently levied at 9%, which has also drawn complaints from various circles.

Asked whether the business tax would be brought down to its previous level of 7%, the minister said he could not say anything yet, but promised that it would make business establish-

ments happy.

Dr Suthee also disclosed that the ministry was pondering the application of withholding tax on several types of products and services.

While assuring that such collections would not affect the public, he said it would facilitate business operators and prevent them from evading tax payments.

Regarding the roles of the Revenue Department's officials in various zones, who have been widely criticised for encouraging people and business firms to avoid tax payments, Dr Suthee said the ministry realised the issue and was in the process of scaling down their powers.

Admitting that income taxes were not efficiently collected because of the limited manpower, the minister said tax restructuring would help solve or reduce the problems faced by the Government over revenue shortfall due to the inefficient tax collection.

As for the general economic situation, Dr Suthee said it had returned to normal and expressed confidence that the Government would be able to collect taxes at a more realistic level.

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CSO: 4200/8

THAILAND

GOVERNMENT MEASURES TO SPUR ECONOMY AGREED ON

Bangkok THE NATION in English 9 Sep 86 pp 1, 2

[Text]

THE Council of Economic Ministers, optimistic about the prospect of an economic recovery as a result of certain healthy factors, yesterday agreed on the urgency for the government to facilitate the private sector's investment through a tax restructuring and other non-budgetary measures, Deputy Prime Minister Adm Sontee Boonyachai told *The Nation*.

The deputy premier, who is a member of the council, said the first session of the economic ministers also debated the worrisome impact of the dumping of sugar from the US stockpile into the world market.

The discussion also covered other major agricultural crops including maize, rice, and mung bean.

Adm Sontee said that the ministries of finance and foreign affairs

were assigned to work out details of a tax restructuring package and other measures including investment promotional privileges and procedures as soon as possible.

"I expect them to submit their proposals to the government in one week," he said.

The Cabinet last week decided to increase the budget expenditure by 1,500 million baht in the capital investment budget as an indication of its determination to speed up investment and economic recovery. The amount is considered small compared to the total expenditure budget of 227,500 million baht but it is hoped that the move would produce positive psychological effects on the private sector. Adm Sontee said.

In a related development, Finance Minister

Suthee Singhasaneh told *The Nation* that the decision on the 1,500-million-baht increase was final. It will not be revived in today's Cabinet meeting, he said.

He added that the additional budget would come from the Oil Fund which amounts to about 3,000 million baht now.

Suthee and PM's Office Minister Suire Mahasandana last week exchanged views with representatives of the private sector with Foreign Minister Sudhi Savetsila serving as the match maker. The two sides presented their

arguments on two opposite schools of thought — a drastic rise in the government expenditure budget, or the "symbolic budgetary increase," according to informed sources.

Adm Sontee, however, said that there is still a chance of another budgetary increase at a later stage.

"This could be done through the issuance of a bill amending the Budget Bill which is expected to be finalized in today's Cabinet meeting or next week at the latest," the deputy premier said.

Adm Sontee said that the Council of Economic Ministers had reached a "political decision" for tax restructuring to remove other investment obstacles.

The prospect of more active investment here is "pretty positive" due to the weakening of the American dollar and the strengthening of the yen currency as well as the cheap labour in this country, he said.

Government Spokesman Mechai Viravudya told reporters that the overall economic situation of the country has gained strength, although there are some problems that the government had to overcome.

The council, he said, had instructed related agencies to formulate measures to solve the problems and submit their report on the measures to the Cabinet for approval.

National Economic and Social Development Board (NESDB) Deputy Secretary General Kosit Pannseemras added that although commodity prices in the world market continued to be at low levels this year, there are many international factors that contribute to efforts to improve the economic performance of the country.

These factors include low oil prices, a decline in interest rates and a greater demand in the world market for Thai exports excluding commodity goods. Kosit said. Moreover, the past governments had taken measures to reduce the balance of trade and the

balance of payments as well as promoting economic recovery and investment.

He said that the healthy international environment had markedly improved the trade and balance payments situation of the country. The value of exports over the first seven months of the year rose by 15.5 per cent over the same period of last year while imports decreased by about 10.2 per cent.

As a result, he said, the trade deficit was reduced to only 7,860 million baht while the payment surplus rose to 19,486 million baht.

He said that investments by the private sector had started to pick up slowly, particularly in the field of construction. The private sector's investment is expected to rise by 3.3 per cent this year.

Referring to the financial situation, Kosit admitted there is a problem of reducing the excess liquidity totalling about 40,000 million baht in the private sector. He said the government is seeking ways and means to solve the problem and is optimistic that the excess liquidity would become an asset in the government's drive to promote private sector investment.

On the looming sugar crisis, Adm Sontee said that Foreign Minister Siddhi will hold talks with the US leaders during his trip to New York for the upcoming UN General Assembly session next month.

He said it is within the right of the Americans to solve their problems through agricultural subsidization but the relevant measures should not be taken at the expense of the bilateral

relationship with Thailand, the deputy prime minister said.

He said that during a courtesy call by outgoing US Ambassador William Brown on him to bid farewell, he told the envoy in a "straightforward manner" that Thailand was grateful for American aid but assistance must be what the Thais, and not the Americans, wanted.

Thailand has protested against the sale of about 150,000 tons of sugar to China and is concerned over the prospect of the possible release of about 200,000-300,000 tons of sugar from its stockpile.

The US move has prompted a drop in the world market sugar price to 4.70 cents per pound by the end of August. Economics Department Director General Danai Tulalamba told *The Nation* that ACM Siddhi will ask the United States to refrain from dumping sugar into the world market under the Farm Act.

Adm Sontee said that sugar was part of a problem caused by the enforcement of the Farm Act. The consequences are wide-ranging covering other agricultural crops exported by Thailand, including mung bean, maize and rice.

He added that during the economic ministers' meeting, an outline of measures to cope with the low prices of these agricultural crops was presented and that the Foreign Ministry was assigned to work out the details of the package measures.

These include a plan to expand the overseas markets for Thai sugar, a move which will hopefully build up more demand in the world market, according to Adm Sontee.

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CSO: 4200/8

THAILAND

SUPACHAI: 'SHOPPING LIST' TO REVIVE COUNTRY'S ECONOMY

Bangkok THE NATION in English 9 Sep 86 pp 1, 2

[Text]

DEPUTY Finance Minister Supachai Panitchpakdi describes it as a "shopping list" to push the country's economy back on the recovery path. It's an "Action Plan" to revive business and create jobs as well as boost the people's purchasing power.

There are four elements in the pack-

age: Assign specific government agencies to penetrate foreign markets for Thai exports; attract more foreign investments from countries with strong currencies and huge trade surpluses. Obviously, it is a clear reference to Japan.

The second move also involves attracting foreign financial insti-

tutes to invest here and this involves inviting foreign investors to become more active in the local stock market.

Then, there is the third part of the package. The central bank will have to consult the commercial banks so that the private sector could borrow more for investment purposes and link it up with the government's decision to increase the new fiscal year's spending by 1,500 million baht.

The fourth element in the package is to step up local investment as well. And this involves closer discussion between the private and public sectors to achieve that common goal.

"The government will have to find out what and where the private sector wants to invest in," Supachai said.

He said agriculture will be given priority in a separate and comprehensive package.

Short-term, medium-term and long-range plans are being considered. "Big projects will have to be deferred further," Supachai said but refused to give a response when asked

by reporters whether he was referring to the Eastern Seaboard Development Programme.

He said that common efforts will have to be exerted to avoid the cyclical impact that brings about unfavourable conditions every six to seven years. "Housing and energy issues, for example, used to have their cycles every six to seven years. We must try to create a proper balance and the additional 1,500 million baht expenditure agreed upon for the new fiscal year will be spent on areas to avoid the cyclical problems," he said.

The special budget will have to serve the objectives of creating additional employment and to improve the irrigation system, housing.

Asked about the role of the National Economic and Social Development Plan (NESDB), Supachai said the prime minister had expressed his belief that the NESDB will continue to play a key role in national development, for both short-term and long-term purposes.

"The NESDB will offer the government a proper perspective of things," he said.

THAILAND

SUPACHAI CALLS FOR NEW ECONOMIC DIRECTION

Bangkok THE NATION (BUSINESS I supplement) in English 12 Sep 86 p 17

[Excerpt]

THE government has to take the opportunity to redirect the momentum of the economy away from agriculture and towards industry, Deputy Finance Minister Supachai Panitchpakdi said yesterday.

"Don't think that because a direction has been piloted in the past we have to stick to it. That's misconception. The government is at a crossroads and we have to strike for the right balance," he said.

The right balance, he said, could be arrived at by translating macroeconomic gains into positive moves.

Supachai was speaking at the American Chamber of Commerce's annual state of the economy seminar at the Regent Bangkok Hotel. More than 100 chamber members heard his review of the kingdom's future options along with presentations from Virabongsa Ramangkura, macroeconomic policy programme director at the Thailand Development Research Institute; Narongchai Akrasanee, senior vice president for Business Development of the Industrial Finance Corp of Thailand; and Chulacheep Chinwanno, director of Thammasat University's Asian and Pacific Studies Centre.

The breakfast meeting was chaired by Chase Manhattan Bank's country manager, Philip DeFord.

Taking the podium, Supachai warned that the public sector, once it sets its mind on something, it is very difficult to withdraw. We are moving in the right direction but we don't know if we can kill the basic weaknesses. If the public is misguided by over-optimistic forecasts, this will keep the government from adopting the positive policies and we will inevitably fall back to square one.

The time for "sweeping the dirt under the carpet is over," he said. "We need non-farm employment and not only higher commodity prices. What's the point of educating our young people if we have no jobs for them?"

In posing the question, Supachai averred that it was the government's duty to approach these problems in realistic terms and work out adjustment policies. "Do we want to be the largest rice exporter in the world or do we want to restructure? We must restructure the agro sector, realizing that some things are passe. Our problem is whether we can do this in time."

The answer to this, has to be "yes," said Supachai, adding that more funds would have to

be found to be put into the reform sector if needed. And one way was to devise a new agricultural policy, within a council or board format that would control planning as well as acreage.

"We talk a lot about medium- and small-term investment, but in order to make it happen, he said, it would be necessary to come up with more creative insurance facilities. "These are in the pipeline and hopefully, we will have them by 1987."

Next year, Supachai said, agreeing with the American Chamber's Business Economic Committee estimate, would be one of higher growth. Thailand is diversified enough to overcome the setbacks from lower commodity prices — even sugar would not return to the low levels of a few years ago. And for tapioca, I think we have also seen the worst."

The export sector, he was confident, was not quite as pessimistic as it appeared. The earnings from the manufacture of food are up, we are experiencing much better prospects now that the Japanese yen is rising and we are facing — with optimism — changes in the world's basic terms of trade. And we are doing something more positive to capitalize on this than we have in the past."

THAILAND

PRAMUAL MOVES TO IMPLEMENT KEY PROJECTS

Bangkok BANGKOK POST (BUSINESS POST supplement) in English 11 Sep 86 p 1

(Article by Theh Congkhadikij)

[Text] **INDUSTRY Minister Pramual Sabhavasu has set a number of priorities to be tackled by the ministry.**

Among the priorities are the establishment of the Board of Investment as a one-stop station for investors, the expediting of the development of the Eastern Seaboard, the carrying out of the Prime Minister's wish for an industrial estate in the South, doing something about the depressed sugar industry, assisting existing industries in trouble to keep down unemployment, and attracting more investments from Japan and elsewhere to provide employment opportunities for the growing labour market.

Minister Pramual has appointed high officials of the Industry Ministry, including all the directors-general, as an advisory and executive board to make recommendations on problems and implement policies and projects.

He has obtained the American Ambassador's "kind consideration" for his requests for:

1. The US Government to stop selling more sugar in the world markets until the sugar price has risen.

2. The US to release sugar from its stocks slowly and in such small amounts as to have a minimum effect on the sugar price.

3. The US to consider lowering its import quota next year, to equal the Commodity Credit Corporation's present stocks, if

the price of sugar fails to rise.

4. The US to consider giving Thailand the right to export more sugar if any country exporting sugar to the US cannot fulfil its quota.

Mr Pramual has persuaded investors in the destroyed tantalum plant in Phuket to build it in Rayong, as part of the Eastern Seaboard development project, and they have agreed. The public is being informed of the processes to ensure that they realise that Thai experts have found them to be non-toxic and would not adversely affect the environment.

DESIRES

He also desires to have the seven years or so projected for the Eastern Seaboard to be eclipsed to five or so years so that the country and the people can benefit directly and as soon as possible from the development.

Mr Pramual believes that with the Government providing the necessary infrastructure, including power, water, roads, telephones and a deep-sea port at Mab Ta Phud, and early approval of desirable investors' projects, the Eastern Seaboard can be developed quicker than contemplated.

With the committee of top officials of the ministry he hopes to be able to make sure that the Board

of Investment becomes a truly one-stop station where investors can get their projects studied, approved and given the necessary permits and licences.

The minister has faith that Thailand is much better off economically than neighbouring countries and with its natural and human resources can be made more attractive to foreign as well as domestic investors. Already Thailand's textile and shoe industries are on the upturn.

He is ready and willing to personally listen to potential investors with worthwhile projects.

Since his appointment he has inspected existing industrial estates in various parts of the country and has given instructions on how investors can be brought in to set up their plants in those estates whose purchase had been made at relatively high prices in previous administrations.

He told officials how facilities and services could be provided which would make the land rates appear not so high and how a few industries could be initially invited into the estates, triggering applications from other investors.

Mr Pramual agrees with Prime Minister Prem Tinsulanonda's proposal for an industrial estate in the South and he has visited the southern provinces.

He has also inspected the deep-sea port at Songkhla which is essential for the development of industry in the South.

The minister desires to provide whatever assistance is possible to the factories which face financial and other problems in order to keep down the unemployment rate. Having been an entrepreneur in the private sector, the 59-year-old Industry Minister feels he has sympathetic understanding of such problems.

THAILAND

SIXTH NATIONAL ECONOMIC, SOCIAL DEVELOPMENT PLAN DISCUSSED

'Shakeup' of State Enterprises Seen

Bangkok THE NATION in English 11 Sep 86 p 25

[Text] State enterprises take up a good part of the Sixth Plan's work programmes. The comprehensive proposals to improve state enterprises include some drastic changes to privatize these agencies and discuss problems plaguing them. Here are extracts from the draft of the Sixth Plan devoted entirely to state enterprises.

THE Sixth Plan, due to be debated next Monday by the Cabinet, calls for a major shakeup of the country's state enterprises, with some clear-cut policies having been put on paper. Some of the proposed measures, if implemented accordingly, could well change the face of the country's state enterprises.

According to the draft to be discussed, the main policy in this respect will try to retain the country's fiscal stability by reducing foreign debts. Instead, local capital mobilization will be the main thrust, especially through boosting the enterprises' own revenues. At the same time, the size of investment by state enterprises themselves will be scaled down significantly.

The plan also wants to see a higher degree of management skill while raising the standards of services offered by the state enterprises. In other words, international standards will have to be applied and a more "business-like" approach will have to be adopted.

Government subsidies will be reduced or done away with and, if anything, state enterprises will have to bear in mind that the new policy is to make sure that they become more self-sufficient in all aspects.

Private investors will be encouraged to step into state enterprises. Privatization of state enterprises will have to be carried out in clear-cut phases to be spelled out in no uncertain terms, according to the document distributed to various Cabinet members this week for the upcoming deliberations.

The Sixth Plan makes it plain that government investment, including those for state enterprises, will have to be scaled down so that the public sector's debts will be limited to 11% of the country's export earnings. This means that government investment in state enterprises will naturally be reduced accordingly and this will be worked out on a year-by-year basis.

Another interesting aspect of the plan for state enterprises is that the rate of return on investment for state enterprises will have to be no lower than interest earned from government bonds.

This means that investment decisions for state enterprises by the government sector will have to be more selective, confined only to viable projects with good return on investment with the exception for development projects considered vital by the government," the document explains.

The third element in the Sixth Plan is to reduce government investments in both upstream and downstream projects in which the private sector could do a better job. Some of the schemes currently wholly run by the government may be turned into joint ventures with the private sector to reduce the government's financial burden.

Investment in the form of welfare for state enterprises will have to be dispensed with or curtailed as well.

**CAPITAL
MOBILIZATION
POLICY:**

The Sixth Plan makes it clear that borrowings from abroad will have to be reduced, with the ceiling of foreign loans for state enterprises during the first three years of the new plan being the same as the level of

foreign debts towards the end of the ending Fifth Plan. For the rest of the Sixth Plan, the ceiling will be fixed in line with the prevailing fiscal conditions at the time.

A new feature of the policy is to require state enterprises to seek their own revenues to invest in their own equities — and the ratio should be at least 25% of the total capital investment in a particular project while retaining the internal cash generation at the same level as that of debt service coverage ratio of 1.5:1.

"If the state enterprises could mobilize their own funds for their investments as specified in the plan, the government could cut down lending by about 42,500 million baht during the Sixth Plan," the document adds.

Naturally, if state enterprises were to be required to plough back their revenues in the form of investments, their ability to hand over income to the central government would be curtailed. "However, they shouldn't pay the government lower than what they would have to do as corporate taxes anyway," the document says.

State enterprises will be encouraged to expand their equity base to make for a proper debt-equity ratio. To achieve that goal, state enterprises may sell shares to the public. And this will prod them to mobilize capital from domestic sources.

Under the Sixth Plan, the government will consider levying certain taxes (including business and corporate taxes) from some state enterprises to make for a fair competitive atmosphere between state enterprises and private businesses, thereby encouraging more efficient use of resources and boosting revenues for the government.

LOAN GUARANTEE POLICY:

The trend is towards less guaranteeing facility by the government for state enterprises when they borrow

Government subsidies, too, will be curtailed, with the government offering loans at interest rates lower than those charged in the market.

"The government will guarantee loans only for projects given high priority as part of government policy. State enterprises with efficiency management systems and with high return on investment will have to guarantee themselves for loans," the document says.

PRICING POLICY MORE REALISTIC:

State enterprises will be required to fix their prices of goods and services in such a way as to be self-supporting and with a view for a reasonable rate of return so that expansion could be carried out for the present and the future.

Subsidies will be scrapped and consumers will have to bear the costs directly — except when certain services are considered important enough for government support.

"Indirect subsidies" too will be lifted — be it in the form of guaranteeing loans or low-interest loans by the government. Exceptions, again, are possible for certain activities considered a major part of the government policy.

In case where the government has to impose price controls on certain products manufactured and sold by state enterprises, the pricing formula would have to be compatible with the normal rates, especially in the fields of energy and telecommunications etc..

PERSONNEL ADMINISTRATION POLICY: CONTROL OVER OVERTIME, BENEFITS

State enterprises will also be required to draw up manpower management in the corporate plans of the state enterprises — in line with the manpower and production objectives. Any expansion in personnel

should only be carried out for expanded activities.

Salary scales at the middle and low levels should be adjusted to be in line with those of the private sector, taking into account to other benefits as well.

The most controversial policy stated in the Sixth Plan for state enterprises perhaps is on Page 193 which says that overtime and welfare benefits of all forms must not exceed 15% and 10% of the total payrolls respectively. This is aimed at boosting efficiency and reducing production cost per unit.

It is also proposed that state enterprises should hire private employees for certain tasks to avoid having too large a staff. Private companies could provide services such as guards, transportation for employees or office cleaning work etc...

At the same time, it is also advisable to engage private administrators on a contractual basis in certain cases. It is also emphasized that executives of state enterprises should be competent, qualified and full-time workers. This is an indirect reference to the existing practice whereby some retired government officials have been named to head state enterprises as "rewards" regardless of their management backgrounds

CENTRAL BODY TO MONITOR PERFORMANCE:

The Sixth Plan also calls for the setting up of a "central agency" to follow up on and evaluate the performance of state enterprises to ensure that they follow the plans set out with emphasis on raising the standards of service and efficiency.

The government plans to adopt three options to transform state enterprises: adapt internal management to make it more professional and business-like through improving efficiency, rationalizing investment and personnel management

plans; invite private individuals or firms to come in either in the form of management contracts or giving out concessions and privatization through selling out shares to the public.

The "central agency" will be responsible for such transformation and its secretariat will have to work

full time on a regular basis for the sake of continuity and integration so that coordination with relevant ministries and agencies could be effectively carried out. At the same time, the capital market will have to be strengthened to handle the planned divesting of shares of state enterprises to the public.

What Goes Wrong at State Enterprises?

THE number of state enterprises might have come down from over 100 to 70 in the past years but the size and spending have gone up dramatically. Total expenditure and investments of state enterprises stood at 72% of the national budget for 1977, rising to 109% of the 1986 budget.

Their total investments in the past eight years have been growing at an average rate of 20% per annum.

It is also noteworthy that most of the government's foreign debts or more than 60% are loans obtained by state enterprises — guaranteed by the government. Besides, almost 90% of the loans committed by state enterprises are foreign lendings, with the small remainder being loans from "domestic sources."

The Sixth Plan draft also points out that state enterprises' contributions to the government coffers have been dwindling at the same time — from 73% of net profit during the period of the Fourth Plan to only 42% of the Fifth Plan.

"This is because many state enterprises have turned their revenues into

new investments. In this respect, the percentage has gone up from 10% of the total investments in projects to 20% in the same period," the document says.

The total staff being employed by state enterprises now stands at 250,000, with an annual increase of more than 3% during the Fifth Plan which will end on Sept 30 this year, compared to the 2% growth ceiling imposed on government agencies.

It is also pointed out that more than half of the existing 70 state enterprises are "large-scale businesses" hiring more than 1,000 people each.

"That's why it is very important that the efficiency of these state enterprises is closely examined," the Sixth Plan says.

Cashflow has also become a problem, with state enterprises owing dues to one another, causing chain reaction. Total debts in arrears among state enterprises have gone up to 6,500 million baht today. This problem is particularly severe with fees for fuel, electricity, water and telephone services.

Under the period of the Fifth Plan, 59 state enterprises which submitted their investment plans showed profits totalling 57,717 million baht or 4.2% of their combined assets, compared to 9% return on investment reported by certain major business concerns.

During the Fifth Plan, the number of losing state enterprises has gone down — from 18 (amounting to 2,292 million baht) to only eleven (total losses: 2,117 million baht). But the Bangkok Mass Transit Authority (BMTA) and State Railways of Thailand are the two agencies which have suffered a loss of more than 500 million baht each.

While the number of losing state enterprises might have gone down, the size of investments has doubled during the Fifth Plan — up from the Fourth Plan period's 89,000 million baht to 170,000 million baht, mostly in additional investments in the transportation and energy fields. This represented 87% of the total investments in the Fifth Plan.

This means that the total

investments and spending of state enterprises are in fact higher than the government's Budget.

The expansion of state enterprises has also brought about a major increase in foreign loans — from 47,264 million baht during the Fourth Plan period to 76,195 million baht during the ending Fifth Plan, representing a jump from 57% of the government's total foreign debts to 65% in the Fifth Plan.

"This trend obviously has become a major problem for the government to maintain fiscal stability.

At the same time, subsidies for state enterprises have also been rising rapidly — from 9,000 million baht in the Fourth Plan to 11,500 million baht in the Fifth Plan. This doesn't include certain other subsidies to compensate for losses incurred by some state enterprises due to low efficiency and offset prices of certain products fixed at unrealistically low levels.

Another weak point raised in the Sixth Plan document is that the appointment of top executives of some state enterprises had been far

from professional, with more political appointees being named to the senior posts without consideration for their management skills.

About 86% of members of the boards of state enterprises are civil servants or military personnel and only 7% are from the private business circles.

Pay scales and other benefits are also high compared to what's paid to civil servants or employees in private firms. On average, the total incomes for state enterprise employees are about 55% higher than those for government officials and generally higher than those in private firms, especially those in the middle and low levels.

"This trend has contributed to higher production costs and service fees. In some cases, this policy has brought about financial losses because of the high fixed costs in terms of salaries and benefits. On the contrary, salaries for senior executives of state enterprises are much lower than those in the private sector, rendering it difficult to attract competent administrators to join them..."

Prudent Growth Emphasized

Bangkok THE NATION (BUSINESS II supplement) in English 12 Sep 86 p 25

At an American Chamber of Commerce breakfast yesterday morning, Dr. Virabongsa Ramangkura, one of the Prime Minister's economic advisers and a programme director of the Thailand Development Research Institute, outlined the principles of the proposed Sixth Plan. This is what he said:

I will divide my delivery into three main topics. First, the basic assumptions of the international and domestic economic environment underlying the formulation of the Sixth Plan. Second, the main targets set forth in the Sixth Plan, and thirdly, the basic strategies and development theme as well as the structure of the plan itself. Due to the short period of time, I will just

briefly touch base upon each of the 3 major topics.

First, witnessing the economic performance during the Fifth Plan period, it is quite clear that besides its slow recovery, the world economy has entered the arena of uncertainties and fluctuations as evidenced in the extreme fluctuations in the price of oil, interest rates, and the drastic reassignment of major currencies — reflecting the large

imbalances in the international monetary situation for which corrections have long been overdue.

In addition, protectionism in world trade has deteriorated to a new level where one witnesses the trade war between the major developed economies spilling over to adversely affect developing countries as well.

These changes in themselves reflect both constraints and opportunities for the Thai economy as protectionism creates a new major barrier to the expansion of Thai exports. But the lower price of oil, the decline in interest rates, and the strengthening of the major currencies, particularly the Japanese yen, have helped the external balances and partly offset the impact of the adverse items.

However, these opportunities are not to be taken for granted since there are still possibilities of future fluctuations. Thus, prudent economic management to reap the benefits of available opportunities while keeping options open for coping with uncertainties, is the name of the game for the Sixth Plan.

Domestically, it is quite clear that Thailand cannot depend upon the six major traditional agricultural products as it has done in the past. Rice, cassava, sugarcane, tobacco, corn, and rubber, which once accounted for 70% of total agricultural export earnings, are now facing a gradual decline in terms of significance.

This is shown in the decline of value-added growth rate of the major crops from 7.1% to 4.7% and 1.3% in the Third, Fourth, and Fifth plans and it is envisaged to grow at only 0.5% during the Sixth Plan period. In addition, during the Fifth Plan the average price of major crops declined at the rate of 7.7%.

The basic reason behind this decline is the structural change in world demand, ranging from changes in technology to tastes, as former importers of staple crops have become net exporters after they have mastered production techniques, and commodities such as sugar are being replaced by low-calorie substitutes.

In addition, agricultural subsidies in the US and EEC, as

well as past overpricing of some commodities due to cartels (oil, tin, sugar, etc), also played a significant role.

It becomes very clear that in order to expand further, Thailand has to diversify her production base.

TARGETS

The primary targets of the Sixth Plan are to solve poverty, unemployment, and fiscal imbalance issues. These issues are in fact intertwined and to tackle with one will imply effects on the others. For example, the poverty problem is closely related to unemployment and underemployment, and the strategies for solving the first 2 issues will have direct impacts on the fiscal issue and vice versa.

In conformity with the constraints and opportunities, the Sixth Plan sets forth a target of 5% growth in order to be able to absorb the 3.9 million people newly entering the labour force. This prudent rate of expansion is designed to keep the current account deficit at the comfortable level of 0.9% of GDP, in view of world uncertainties, in order to keep options open for future adjustments when the world economic signs become clearer.

STRATEGIES

In order to attain the above target taking into account the constraints, three major strategies have been devised for the Sixth Plan.

First, increasing the efficiency of development actions through the improvement of various tools and mechanisms of development involving human and natural resources, science and technology, management and administration. This includes the financial sector, the government sector, and state enterprises, as well as the rationalization of the role of public and private sectors in development. Six major programmes are designed to support these strategy. They include:

- **The Overall Economic Development Programme**, involving financial management to ensure growth and stability.

• **Human and Social Development**, designed to improve the quality of life and develop human resources as well as promoting the role of the private sector and community participation.

• **Natural Resources and Environmental Development Programme**, proposing an integrated approach in the management of natural resources and the environment to maximize utilization as well as minimize conflict.

• **Science and Technology Development Programme**, to deal with the strengthening of capability in science and technological through research and development, the transfer of technology and human resource development.

• **Government Development Management System**, devised to improve the management system and develop tools such as development communication, law and government services. In addition, the programme stresses close public-private sector cooperation.

• **State Enterprise Development Programme**, in order to increase efficiency in operations and encourage privatization.

The second strategy is for the diversification of production and marketing structures in line with market demand and resource endowment. It is the direct response to the decline in the role of the major traditional crops. The Sixth Plan stipulates the development of some 161 agricultural commodities and 38 industrial commodities. This strategy also involves the improvement of basic services to facilitate the diversification attempt. Two programmes support this strategy:

• **Production, Marketing and Employment Development Programme**, designed to reduce risks and production costs as well as to increase income and foreign exchange earnings.

• **Basic Services Development Programme**, to increase utilization of the existing infrastructure, as well as develop new infrastructure and basic services particularly the

'missing link' to facilitate development. The private sector's role will be emphasized in line with the overall financial constraint.

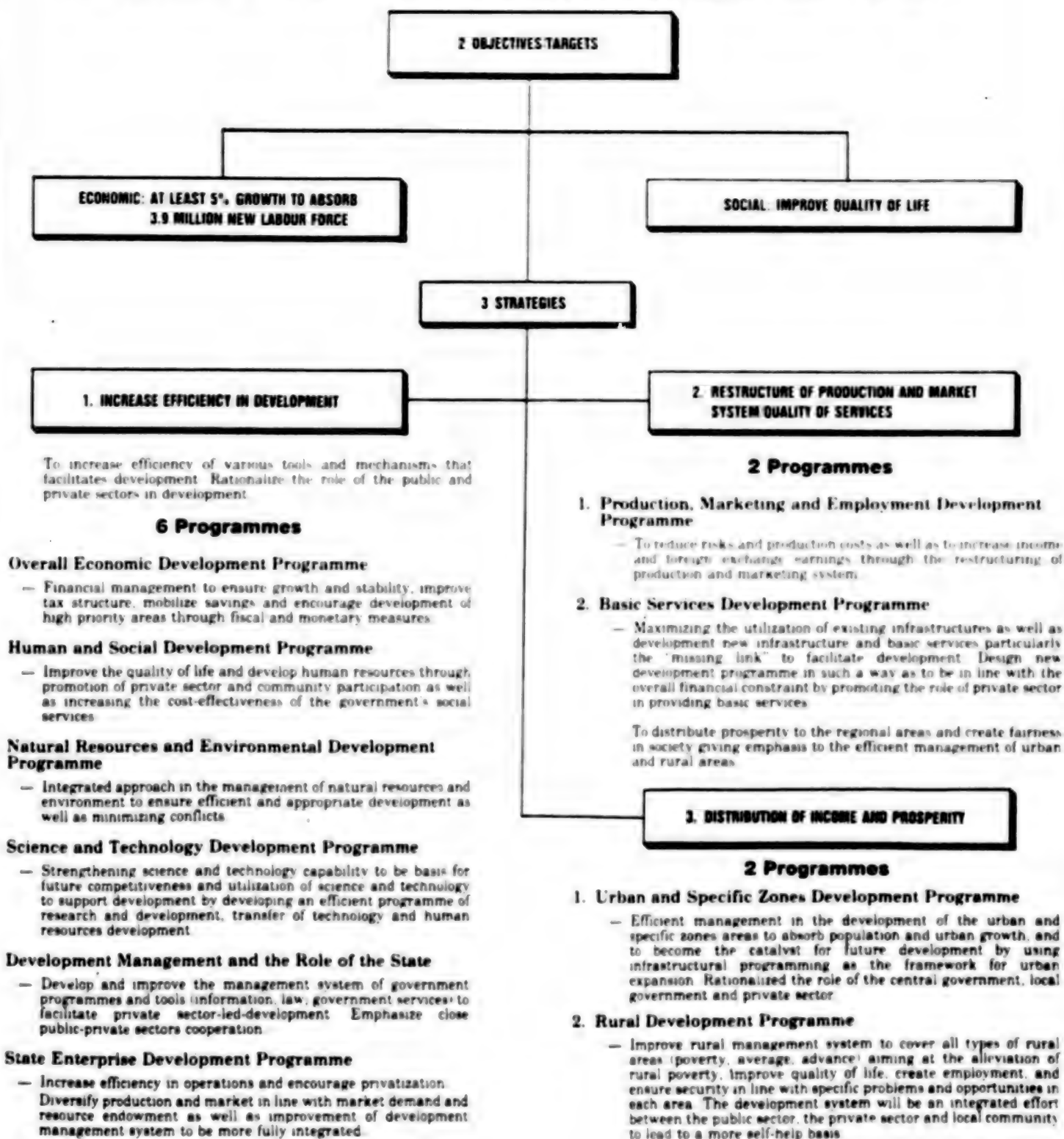
The third strategy deals with the distribution of prosperity to the regional and rural areas through the improvement of efficiency in urban and rural management as well as the rationalization of the public and private sectors, local government and community participation. This strategy incorporates two programmes.

• **Urban and Specific Zones Development Programme**, dealing with efficient management of urban and specific zones areas to become a catalyst for future development, using infrastructure as the framework for expansion, while also stressing the sharing of the role between the central government, local government, and private sector.

• **Rural Development Programme**, aimed at the expansion of the rural management system to cover all types of areas in line with specific problems and opportunities in each area, with emphasis on integrated efforts by all parties concerned, both public, private and local community.

To sum up, the Sixth Plan is a prudent growth-oriented plan aiming at the restructure of the pattern of growth in order to absorb employment and generate a better distribution of income. The main strategy is less capital-intensive in nature and bases the development strategy on the improvement of the 'software' structure, such as better utilization of human and natural resources, science and technology and development management. In addition, the Sixth Plan has installed one major innovation to cope with existing uncertainties in the form of an annual implementation plan as the mechanism for prompt adjustments to changes in the world environment.

SIXTH NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT PLAN



THAILAND

TDRI REVISES ECONOMIC GROWTH RATE DOWNWARD

Bangkok THE NATION (BUSINESS supplement) in English 6 Sep 86 pp 17, 19

[Article by Peter Mytri Ungphakorn and Renoo Gambler]

[Excerpt]

THE Thailand Development Research Institute yesterday became the first economic forecasting unit to announce a moderation of its previously optimistic prediction for growth this year.

The announcement was made by the independent research institute's director of macroeconomic policy, Dr Virabongsa Ramangkura, who is also one of the prime minister's economic advisers. His team is now predicting economic growth for this year to be 4.2 per cent compared with an earlier prediction of 4.6 per cent.

Only last December the TDRI team predicted that growth would be a gloomy 3.2 per cent, but since then falling oil prices, the fall in the value of the dollar with respect to the yen, decreases in electricity charges and interest rates, and estimated campaign expenditure for the general election have led the team to take a brighter view of prospects for this year.

The latest moderation of that optimism is in line with revisions some government economists are quietly making to their own predictions. There are, however, differences in emphasis as to the reasons for the revision.

One government economist says he has trimmed his prediction because of worse-than-expected world agricultural prices and harvest problems in this country.

The TDRI team also speak of the US Farm Act and expected bad harvests, particularly maize. But Dr Chalongsob Sussangkarn, a co-author of the paper containing the revised predictions, said yesterday that the main reason for the revision is that the benefits of lower imported oil prices are taking longer than expected to work their way through the economy.

In the end those benefits will be felt, which is one reason why the TDRI team are predicting growth in 1987 to be 5.7 per cent — Virabongsa called it a "boom year."

For the rest of the Sixth Plan period, which ends in 1991, the team are predicting growth rates of between 4.6 and 5.0 per cent. This would mean growth averaging 5.2 per cent for 1986-91 and 5.4 per cent if 1986 is excluded. The official target for the Sixth Plan is 5.0 per cent.

The benefits of that level of growth would not be shared out equally. Growth in agriculture and other raw material sectors is predicted at only about 3 per cent per year — 1.8 per cent in 1986. Manufacturing and processing is predicted to grow at 6.0 per cent this year, increasing to 6.8 next year before falling to about 5 per cent. Service industries are predicted to grow at between 5 and 6 per cent, and Virabongsa said this would be the leading sector.

Forecasts of this nature are causing many economists to express concern about the effects on the distribution of income and on the composition of purchasing power.

Prosperity in the rural sector would be distributed among a larger proportion of the population, most of which is poorer, and its effect would be on demand for agricultural machinery and basic consumer goods. Prosperity in industrial sectors tends to be concentrated in fewer hands.

The TDRI paper was prepared by Chalongsob and former Cambridge economist Francis Cripps for Virabongsa to present at a seminar on the impact of the world economy on Thai business organized by Chulalongkorn University's Graduate Institute of Business Administration at the Dusit Thani Hotel.

Despite the relatively optimistic forecasts for growth over the next five or six years, Virabongsa ended his presentation with a warning that Thailand must continue to be cautious in exercising economic policy.

His view is that external constraints will remain — particularly Thailand's trade and current account deficits and its foreign debt obligations. His team's figures show a relaxation of those constraints, with smaller current deficits over the next five years and lower levels of foreign debt when compared with the country's national income.

But, he said, if Thailand's planners choose to strive for growth rates higher than 5 or 6 per cent, the external constraints will close in again. This would also happen if unforeseen shocks hit Thailand or the world economy.

Therefore, he said, plans have to be laid carefully in order to avoid mistakes.

The TDRI predictions assume world economic growth rates of 4 per cent next year, 3.7 per cent in 1988, and 3.2 per cent in other years. These are more optimistic than figures coming from one of the United States' leading forecasting institutions: Wharton Econometric Associates set up by economists at the Wharton School of the University of Pennsylvania.

Professor Lawrence Klein, a leading light in Wharton Econometrics and a Nobel Laureate, said at yesterday's seminar that the TDRI figures were over-optimistic. He said the government would have to work hard if it were to achieve the economic and export growth figures predicted, such as by improving the country's marketing ability and produc-

tion efficiency.

He was one of a number of speakers who said that Thailand should try to be less dependent on traditional markets, particularly the United States and the EEC.

Dr Olarn Chaipravat, executive vice president of the Siam Commercial Bank, said Thailand should take advantage of the appreciating West German mark and Japanese yen and try to export more to those countries. He also advocated specific industrial promotion policies particularly if agricultural produce is involved and the production is for export.

Thailand's dependence on world markets means that an accurate view of the future of the world economy is essential. Klein's prediction is that there could be a "soft landing" as the present recovery tails off.

THAILAND

EXPORT BODY REVIEWS FISCAL 1986 PERFORMANCE

Bangkok BANGKOK POST in English 11 Sep 86 p 13

[Text]

THE Export Promotion Committee will meet next month to review the country's export performance last fiscal year and draw up the export promotion plan for Fiscal 1986-87, Export Promotion Department Director-General Norawat Suwan and Planning Division Director Orajit Singhalavanich announced yesterday.

"The problem now is whether the administrative guideline being drawn up for the newly appointed committee as approved by the Cabinet on July 27 has been completed; if not, the old committee, chaired by the Commerce Minister, will have to meet," Mr Norawat said.

He said the EPD had suggested that the new committee be given more decision-making

authority with the Prime Minister as chairman, the Commerce Minister as vice chairman and the EPD Director-General as secretary.

The committee members should comprise all ministers and permanent secretaries of economic ministries and representatives from the Board of Trade, the Board of Investment and the Thai Bankers'

Association, the Budget Bureau Director-General, the Customs Department Director-General and six academics.

In the present committee, the members include only two academics: Dr Virabongsa Ramangkura and Dr Virachai Techavichit.

Miss Orajit added that apart from the main committee, sub-committees will be set up to deal with separate issues such as the solving of monetary and export problems.

She said the sub-committees will study the problems in detail before submitting them to the main committee for decisions. The entire process will be under the EPD's jurisdiction, she said.

At the meeting set for next month, a new export promotion plan for next fiscal year and the

budget plan will be tabled, she said.

The export development budget for Fiscal 1985-86 was 58.9 million baht and the export promotion budget 59.7 million baht, with another 15 million baht for contingencies.

Mr Norawat said he did not expect the new export development budget to be higher than this fiscal year's, but the export promotion budget will be increased.

"As for the export development and promotion plans, the EPD recently held a meeting with exporters to whom 500 sets of questionnaires were distributed with the submission deadline set for August 5," he said. "So far, the department has received about half of the filled questionnaires."

To be gleaned from the completed questionnaires are exporters' needs and recommendations on revisions of the plans, Mr Norawat said, adding that the compilation of the questionnaires could be finished next week.

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THAILAND

MILITARY, PUBLIC OPINION CONTROVERSY ON WIRA LESE MAJESTE

'Old Soldier' Column on Charge's Impact

Bangkok SIAM RAT in Thai 26 Aug 86 p 8

[Fact and Fancy column by "Old Soldier": "Concern Over a Senate Motion"]

[Text] A political matter that has caught the attention of the people is the matter of 12 senators--3 civilians, eight soldiers, and 1 policeman--submitting an urgent motion in the Senate asking the government to consider statements made by a candidate, Mr Wira Musikaphong, while campaigning on behalf of another candidate. The motion charges that he committed lese majeste while campaigning in Buriram Province in violation of Article 6 of the Constitution. The motion asked the Senate to consider this matter and then submit the matter to the government to have it take action in accord with the law. It asked that the government keep the Senate informed about this matter.

I won't repeat what Mr Wira Musikaphong said in his speech, which resulted in people charging that he violated the Constitution. I'm afraid that those senators would charge me with violating the constitution, too. Urgent motions are rarely, or almost never, submitted in the Senate. The fact that a motion has been filed and that most of those who submitted it are soldiers means that this should be regarded as a very important matter.

Actually, this was probably very important for the senators who submitted the motion. But what were their intentions in doing this? The senators, who are senior military commanders, said in an interview that they are aide-de-camps to the king. When they heard those remarks about the king, the head of the country, out of loyalty to the king and out of fear that this would damage the monarchy, they took action in accord with the rights and duties of senators, who are representatives of the Thai people.

I think that they were being truthful, and I sympathize with them. But now that charges have been filed against Mr Wira Musikaphong and the police are taking action in accord with the law--and they took action even before the senators made this motion--this motion has no meaning because the police are already conducting an investigation.

I hope that this matter will not be debated in the Senate or in any council where members can say anything they want without violating the law. Because this motion concerns the country's highest institution, an institution that the Thai people respect and revere. The fact that these senators have submitted this motion is tantamount to dragging the monarchy into discussions and debates in the Senate, which upsets me greatly. I am afraid that members of parliament, who can say anything they want because of the protection afforded by the constitution, will say things harmful to the monarchy. Even if the speaker is very careful, don't forget that that motion is a charge and that there will be some who support it and some who oppose it. When a charge is made, the accused has to defend himself. This is what worries me. Because regardless of why the senators submitted this motion, their intention is to have the government take legal action. I want to state emphatically that the government had already taken such action. That is, action is being taken in accord with the Criminal Code. Thus, parliament, which is an element of democracy that is separate from the executive branch, should not meddle in this, which could harm democracy. The matter is already being handled in accord with the law.

After the senators submitted this motion to the president of the Senate, the president put this on the agenda for 29 August. If there is a debate in the Senate, it will be a major debate involving many people. Don't forget that this is a motion, not a query. When a query is made, the person making the query is the only one who can speak. And he is allowed to ask only three questions. That ends the matter. But in the case of a motion, all senators have the right to speak, and there is no time limit. The debate continues until a senator moves to close the debate or the president feels that it is time to end the debate. Thus, if there is a debate on this matter, I am not sure if things will be any different than they were before these senators submitted this motion.

Besides Mr Wira Musikaphong, who is under investigation by the police, there may be others involved. For example, it was Gen Prem Tinsulanon, the prime minister, who appointed Mr Wira minister. This motion is thus an indirect condemnation of Gen Prem for blindly appointing Mr Wiri deputy minister of interior. Because the alleged offense took place before the appointment of cabinet members. Gen Prem will be affected by this motion, because he is the one who bears responsibility for appointing Mr Wira minister. Others may be affected, too.

What I fear the most is that the monarchy will be dragged into the debate. Even if this is done out of a sense of loyalty, I don't think that this is proper. I think that expressing your loyalty in manner is much better than doing so in words. The same is true in the case of the monarchy. It's much better to express your love and loyalty in action than in words. Out of great respect for the monarchy and loyalty to the head of the nation, I have always held firmly to this principle. I have not expressed my loyalty or reverence for the monarchy in ways that others like to do. Members of parliament should not talk too much about this in parliament.

I want to give an example of loyalty. When King Rama 8 died unexpectedly on 9 June 1946, the Thai people did not know why he had died. The House of

Representative at that time held a meeting in the middle of the night that same day and discussed the king's death in parliament. They discussed the cause of his death. Out of loyalty, many MPs discussed his death. But some MPs went too far, and what they said affected the monarchy. Things became so tense that one MP, ML [Royal title--FBIS] Khukrit Pramot, moved that the meeting be adjourned, because he didn't want MPs conducting a postmortem on the king's death in the House of Representatives. As a result, this expression of loyalty in a way that could have damaged the monarchy ceased.

Today, people are again expressing their loyalty in strange ways, such as holding demonstrations against the government. Even though this does not concern loyalty, people have tried to show their loyalty by staging marches and carrying pictures of the king at the head of the march.

People must express their loyalty to the king in a proper manner. As for the motion made by these senators, the police are already investigating the matter in accord with the law. Gen Prem Tinsulanon, the prime minister, will ensure that this is handled in accord with the law. Isn't it better to be patient and remain calm?

General Chawalit's Remarks

Bangkok SIAM RAT in Thai 27 Aug 86 p 3

[Interview with Gen Chawalit Yongchalyut, the RTA CINC, at the Army auditorium on 25 August 1986]

[Excerpt] [Question] The Senate is planning to hold a debate on the matter involving Deputy Minister Wira Musikaphong. In view of the fact that most soldiers are royal aide-de-camps, what do soldiers think about this?

[Answer] I can give you only my own personal view. I can't speak on behalf of the entire military. These are my personal views. In my view, we have to be understanding of all the people concerned. I don't know whether or not a crime was committed. But I would like to say that if I were Deputy Minister Wira, I would not have made such remarks. However, we have to look clearly at Deputy Minister Wira. I don't think that there is anyone in the country who harbors ill feelings against the monarchy, which is respected and revered by the people.

I am still trying to figure out what Mr Wira's intentions really were. We have to look at this very carefully. At present, it is clear that Mr Wira is very concerned about what has happened. He may tell the press that he is innocent, but in his heart he is very worried about this. He is doing everything he can to make the people understand. He wants to be granted an audience with the king in order to pay obeisance. He is doing everything he can to obtain the king's forgiveness regardless of whether or not he said those things on purpose.

As for the government, I think that the people probably feel that the government has a responsibility in this matter. I think that the government and the organizations concerned with this problem do have a responsibility.

The mass media is aware of the fact that the officials concerned took immediate action after this matter arose. In particular, the police have already taken legal action against Mr Wira. He knows that the police must take action. However, just because the police are taking action in this case does not mean that Mr Wira is guilty. The matter must be investigated in accord with the law, which is what the police are doing.

From what I understand, parliament will have to excuse Mr Wira to face the charges. Because parliament has already convened, permission to take legal action must first be obtained from parliament.

In the Senate, a motion was submitted to the president of the Senate. I think that everyone understands that senators, like people in general, want to know what Mr Wira meant by his remarks and whether he should have said those things. Thus, senators have the legal right to take action. Looking at the motion, it can be seen that those senators want the government to take action. They are probably unaware of the fact that the government has already taken action. When they learn that action has already been taken, they will probably withdraw the motion before next week's debate.

As for the army and this problem, the army officials concerned have discussed this matter. We haven't called a meeting of senior commanders to discuss the matter. Rather, the officials concerned have been ordered to discuss this in order to determine what we should do to prevent the monarchy from being affected by this. Steps have already been taken. Army officials know that the government has already taken action. Thus, we must monitor things closely.

Here, I want to say that the matter of senators submitting a motion in parliament does not concern the army. The army is monitoring matters and doing everything it can to ensure that the matter is handled properly. We are watching things to ensure that things are done correctly.

Editorial Views Political Motives

Bangkok SIAM RAT in Thai 25 Aug 86 p 8

[Editorial: "Wira, a New Victim of Politics"]

[Text] Several military officers serving as senators plan to submit a motion in the Senate on 29 August in order to discuss whether Mr Wira Musikaphong committed lese majeste while campaigning for election. The Senate has the power to discuss this matter. But actually, it is the police who should investigate this matter in order to determine whether there is sufficient evidence to submit the matter to the prosecutor.

The pressure being exerted by the Senate on this matter has generated great alarm among civilian politicians. It is suspected that this is being done for political reasons and that this could have political effects. Because similar things took place both before and during the election.

Now, even before the new administration has had a chance to inform parliament of its policies, this matter has arisen. This will spoil the atmosphere in

governing the country. If at all possible, Gen Prem Tinsulanon, the prime minister, should find a way to solve this problem as quickly as possible. Because this problem seems to be a "political" matter that will require another struggle. It's unfortunate that the monarchy has been dragged into a political matter. In particular, various power groups like to bring up the issue of loyalty.

A similar thing happened during the terrible events of 6 October 1976. We don't want anything like that to happen again. All factions must avoid referring to or involving the monarchy regardless of the issue. We realize that the senators took this action out of a sense of loyalty. But we want to warn people not to exaggerate matters. The mass media, too, should tone down its reports and not exaggerate things. Otherwise, it will just make things worse instead of better.

We want to tell readers that Thailand's democratic system is still very fragile. It is not very safe. It can be seen that in our democratic system, politics is very unstable. This is true for parliament, the political parties, and even the politicians.

In short, the struggle among the "hidden powers" will continue in the Thai political arena. And this struggle could explode, with politicians being the victims of the struggle.

Special Branch Police, Academic Comment

Bangkok MATICHON in Thai 24 Aug 86 pp 1, 16

[Excerpts] Special Branch Police Not Careless About Mob Action

Police Maj Gen Kasem Saengnit, the commander of the Special Branch Police, told MATICHON that the matter involving Mr Wira is considered to be a very important matter and that this could be used as a factor to take action of some sort. The Thai people are very sensitive about the monarchy. However, this does not mean that people are thinking about using this to create an incident. Officials have not found any evidence of people planning to take action. Except for the action taken in parliament, the only thing that has happened is that a few students held a peaceful demonstration against Mr Wira in front of parliament a few days ago.

Police Maj Gen Kasem said that the police cannot become careless. But if Mr Wira can clear up this matter and make the people understand that he did not intend to involve the monarchy but was just making a campaign speech as if performing in a play, it will be impossible for anyone to use this to attack the government.

Police Maj Gen Kasem said that parliament has already convened. Thus, it should be possible to discuss the problems in parliament in accord with the system. Even if protesters continue to demonstrate in front of parliament, the situation is expected to improve.

He Did Not Say Anything "Derogatory"

A news report stated that senior people in the administration told Mr Wira that his resignation would definitely put a stop to the attacks on him and give him a good political image. Everybody wants to put a stop to this movement and allow the matter to be handled in accord with the law. If Mr Wira is reinstated in his position, he will return with a brighter image.

They also told Mr Wira that the initial reaction by investigation officials was that he had not said anything that would constitute a violation of the law. Because if Mr Wira had violated Article 112 of the Criminal Code, he would have had to have made a statement about: 1. the king, 2. the heir to the throne, 3. the queen, or 4. the regent. But in his statements, Mr Wira did not talk about any of these people. The only person whom he mentioned was "Prince Wira," who does not fall into any of the above categories. However, officials must question witnesses to see if they have anything to say for or against Mr Wira. But as of 22 August, no one had given any evidence indicating that Mr Wira committed a crime.

The report stated that Mr Wira is now considering these recommendations but has not yet made a decision.

As for whether investigation officials will file charges, a report from the Police Department stated that no decision will be made until after all the witnesses have been questioned. This will be finished by 24 August. Officials must see whether witnesses say anything implicating Mr Wira before a statement is issued on 25 August.

Senate Took Action too Quickly

Mr Pricha Suwannathat, the vice rector of Thammasat University and the former dean of the Faculty of Law, said that the Senate acted too hastily on this matter. Based on the constitution, the new cabinet has not yet taken office. The new cabinet does not take office officially until after the policy statement has been made. Thus, this motion was made too quickly.

Mr Pricha said that to be fair to both sides, Mr Wira may have said something at the wrong time and place. He may have said something inappropriate without violating the law. It will be up to the court to decide in accord with the law. All the statements made by Mr Wira and the facts concerning this matter must be submitted for consideration. You can't file charges based on excerpts from a tape. That is unfair to the defendant. An important principle of law is intention.

Mr Pricha said that based on decisions by the Supreme Court concerning the meaning of the word libel, libel means to insult, disparage, or cause embarrassment. In the case of Mr Wira, the court must consider all the facts and determine whether Mr Wira intended to libel anyone. Cases involving a charge of libel are usually very difficult to decide, both for investigation officials and judges.

"The Senate cannot say that Mr Wira is guilty of a crime. All the Senate can do is recommend that the government take legal action if it feels that the government is protecting or failing to take action against a government official accused of wrongdoing. I think that the Senate took action too quickly in this case, because it submitted a motion before the government did anything to indicate that it was trying to protect Mr Wira," said Mr Pricha.

The Senate has accused Mr Wira of violating Article 6 of the Constitution. But Mr Pricha said that he does not think that this article applies in this case. Article 6 of the Constitution states that the "king is to be shown respect and reverence. No one may commit lese majeste." But in his statements, Mr Wira never mentioned the king. Statements about the royal family are covered by Article 112 of the Criminal Code. A court of law will have to decide whether he violated this law. For the above reasons, he does not think that the Senate should have submitted this motion.

General Ruamsak Comments

Bangkok MATICHON in Thai 25 Aug 86 pp 1, 16

[Excerpt] Lt Gen Ruamsak Chaiyakomin, the 3d Army Region commander and one of the senators who signed the motion on Mr Wira, said that this motion was not submitted in haste. He has known about this since 13 July, which is when Mr Wira made these statements. Lt Gen Phichit Kunlawanit, the 1st Army Region commander, has known about this for a long time. They discussed this and felt that they should wait until after the election and appointments before taking action. If they had taken action at that time, they would have been accused of trying to prevent Mr Wira from winning election or being appointed to office.

Phichit, Other Senators' Letter on Charge

Bangkok NAM THANG in Thai 25-31 Aug 86 p 27

[Motion signed by Lt Gen Phichit Kunlawanit and other senators and submitted to the president of the Senate on 22 August 1986 for consideration by the Senate on 29 August]

[Text] Subject: Motion on campaign speech that violated Article 6 of the constitution.

To: The president of the Senate.

During a campaign speech to people in Lam Plai Mat District in Buriram Province on 13 July 1986, Mr Wira Musikaphong stated that "if I could choose my birth, why would I choose to be born the son of farmers in Songkhla Province? Why would I choose that? If I could choose my birth, I would choose to be born in the palace. I would choose to be born Prince Wira. I wouldn't have to stand out in the sun talking to you. At noon I would go into an air-conditioned room, have lunch, and then take a nap until around 1500 hours. The reason why I am here talking to you today is that I could not choose my birth." And in Satuk District, Buriram Province, he stated that "I could not choose my place of birth. I couldn't choose to be born in Buriram. Neither

could Mr Phonthep. If I could choose our place of birth, why would I choose to be born into a farm family in Songkhla? That would be stupid. I would choose to be born in the palace. I would be Prince Wira. If I were Prince Wira, I would not be standing here speaking to you. Around noon, I would have a nice lunch. Wouldn't that be better than standing here?" He committed lese majeste in violation of Article 6 of the 1978 Constitution. We ask that the details be discussed at a Senate meeting.

We ask that the Senate submit the matter to the government to have it take legal action. The government should inform the Senate of the results.

Sincerely,

'Ratdamri' Column on Wira's Buriram Speech

Bangkok LAENG KHAO in Thai 17-31 Aug 86 p 4

[Text] Wira Musikaphong, the Last Minister

Because he is the secretary general of the largest political party in parliament and in the cabinet, because he has been an MP several times, and because he has served as a deputy minister in several administrations, it seemed inevitable that Mr Wira Musikaphong would be appointed minister of some ministry in this administration. But in the end he was appointed deputy minister of interior, a position that he has held before. This resulted from a campaign speech that he gave in Buriram Province in support of Mr Phonthep Techaphaibun.

In his speech, Mr Wira wanted to stress that people cannot choose the circumstances of their birth. He said this to counter the attacks of political enemies, who said that Mr Phonthep was not from Buriram. But because he is too clever with his words, he went too far, making a comparison with the royal family and implying that the royal family lives in grand style and does not have to work like other people.

Even though the police superintendent in Buriram refused to take action when political enemies of Mr Wira and the Democrat Party accused Mr Wira of committing lese majeste, the matter did not disappear. A tape of Mr Wira's speech was distributed to various places. Senior military commanders, particularly Lt Gen Phichit Kunlawanit, took the matter straight to Gen Chawalit Yongchaiyut, the RTA CINC, asking, is this the sort of person who is going to head an important ministry?

This is one reason for the delay in the appointment of cabinet ministers. And even though he is one of Gen Prem Tinsulanon's favorites, Wira failed to win a minister's position and had to settle for his old position. His star had been on the rise, but now it is falling.

Bangkok DAO SIAM in Thai 27 Aug 86 p 4

[Editorial: "Is the Confession Sufficient?"]

[Text] Many people have been following the case of Mr Wira Musikaphong, the deputy minister of interior who has been charged with committing lese majeste, wondering how the matter would turn out. Now it is clear. Mr Wira has performed an atonement rite to the king, and the Police Department has concluded that there are grounds for filing charges. In addition, the Ministry of Interior has asked the House of Representatives to allow charges to be filed against Mr Wira.

The important thing is that Mr Wira has written a letter to the king's principal private secretary and performed an atonement rite before a portrait of the king, which was witnessed by senior military officers and members of the mass media. This is strong evidence of his guilt. But Mr Wira has said that he will not resign from his ministerial position because he did not do anything wrong. He said that he had to perform the atonement rite because he had said too much about the monarchy. But he had not intended to say anything offensive.

Thus, it can be seen that the case involving the deputy minister of interior is still in a state of confusion, as is the government. The people are confused, too. This is because a person who has been accused of committing lese majeste and who has admitted his guilt before the mass media and before senior government officials still refuses to resign from his position. This is what bothers the people in the country. In the past, people guilty of lese majeste have always been punished. Government officials guilty of this have had to resign. But this time, something has changed, causing this confusion.

Thus, it is the duty of the powerful people in the country to consider this matter carefully and decide which side to take. They must decide whether to show consideration for the politicians or hold to what is right and take urgent action. Because if the government does not take action to clear up this matter, the confusion and turmoil will never end. Performing an atonement rite will not silence the people, and it is not the end of the matter as far as the law is concerned. Otherwise, such things will happen again and again, which would be very bad for the country.

Police General Narong Comments

Bangkok DAO SIAM in Thai 26 Aug 86 pp 1, 16

[Excerpt] At the Police Department on 25 August, Police Gen Narong Mahanon, the director-general of the Police Department, talked with reporters about the results of the investigation in the case involving Mr Wira Musikaphong, the deputy minister of interior. A group of senators has submitted a motion accusing Mr Wira of committing lese majeste during a campaign speech in Buriram Province. Police Gen Narong said that investigation officials have considered the matter carefully and feel that in view of the statements made

by Mr Wira during campaign rallies in Lam Plai Mat and Satuk districts in Buriram Province, there are sufficient grounds for charging him with lese majeste in accord with Article 112 of the Criminal Code.

Police Gen Narong said that Mr Choetchai Phetphan filed charges against Mr Wira for statements made during campaign speeches in the two districts on 13 July. The complaint stated that Mr Wira had insulted the king, the royal heir, and the regent. The local investigation officials took action and reported the matter. The Police Department has followed the matter closely. Police Lt Gen Sawaeng Thirasawat, the assistant director-general of the Police Department, is in charge of the case.

Police Gen Narong said that there must be a thorough investigation in accord with the law. It must be determined exactly what Mr Wira said and whether his statements contain the elements specified in the complaint. Determining whether there are grounds for taking legal action is a complex matter that will take time.

The director-general of the Police Department said that investigation officials in Lam Pla Mat and Satuk districts have been ordered to take action based on the law. However, Police Gen Narong said that parliament has already convened and so action cannot be taken as usual unless the House of Representatives gives permission. The Police Department has sent a letter to the under secretary of interior in order to inform the secretary of the parliament and ask the Speaker of the House for permission to take legal action against Mr Wira on the above charges. As for whether action will be taken while parliament is in session, that is up to parliament to decide.

Police Gen Narong said that since the very beginning of this case, the police have handled the matter in accord with their powers and duties. They have done things based on the law. No one has exerted any pressure on them. They have taken action freely.

A reporter asked when the investigation would be completed. Police Gen Narong said that he can't say. The suit filed Mr Wira against the newspapers is a separate case. That is a separate matter. He was also asked what steps the police have taken to prevent demonstrations. Police Gen Narong said that the police have taken precautions and are monitoring matters closely.

The reporter also asked whether the questioning of witnesses has been completed. Police Gen Narong said that some but not all have been questioned. As for Mr Wira's statement that he did not commit lese majeste, that is Mr Wira's view. The police must consider the results of the investigation. When asked whether he had submitted a report to the prime minister, the director-general of the Police Department said that he hadn't. Investigation officials must take action based on their powers and duties. This problem does not bother him.

Police Gen Narong repeated that the police have been taking action since the very beginning. After careful consideration, it is felt that there are grounds for taking further action. Some people may worry that the police will not take action because Mr Wira is the deputy minister of interior. But Mr Wira has

never contacted the Police Department. Police Gen Narong said that he has never contacted or sent a report to Mr Wira. Mr Wira has never used his position as deputy minister to interfere in this case.

Military Concerned Over Lack of Defense of Monarchy

Bangkok MATICHON SUT SAPDA in Thai 31 Aug 86 pp 5-7

[Unattributed report: "'Wira Musikaphong' Case Rocks the Government, There May Not Be a Prem 5 Government"]

[Excerpts] The case involving Mr Wira Musikaphong, who has been accused of insulting the royal family, arose when Mr Wira made a speech in front of the Lam Plai Mat railroad station in Lam Plai Mat District, Buriram Province, on 13 July 1986.

From the standpoint of the law, it is essential to determine whether Mr Wira Musikaphong is guilty as charged. But politically, he is an attractive prey for those political parties and groups that oppose Mr Wira Musikaphong, the Democrat Party, and the administration.

Wira Musikaphong, the Target of Attack

Even though Mr Choetchai Phetphan filed this charge out of loyalty to the king, the fact that he made the charge on 23 July, which created a sensation throughout the country, definitely affected the general election held on 27 July. However, the people of Phatthalung expressed their confidence in Mr Wira by again electing him their representative.

However, tape recordings of his speech and leaflets are being disseminated openly among political and military circles. Those preparing the leaflets attacking Mr Wira are probably the same people who have attacked Gen Chawalit Yongchaiyut, saying that he is involved and that he is close to former communists.

DAO SIAM--one of the three newspapers that Mr Wira is suing for 2 million baht in damages--citing a military news source, reported that the military wonders why the various power groups and masses have remained quiet and not taken action to defend the monarchy. They wonder whether pressure has been exerted to keep this matter quiet (DAO SIAM, 17 August).

However, on 21 August approximately 100 students from Ramkhamhaeng University carrying about 30 signs attacking Mr Wira staged a demonstration in front of Parliament (MATICHON, 22 August). Several news sources said that those students were the same ones who staged a demonstration opposing the appointment of Gen Prem Tinsulanon to the position of prime minister.

On 23 August, three senators, Mr Chawalit Rungsaeng, Mr Saruang Aksaranukhro, and Mr Singto Changtrakun submitted a motion to the president of the Senate on Mr Wira's campaign speech, which they claim violated Article 6 of the Constitution. The motion was also signed by Lt Gen Phichit Kunlawanit, Lt Gen Chuthai Saengthawip, Maj Gen Wutichai Wattahasiri, Lt Gen Ruamsak Chaiyakomin,

Lt Gen Sunthon Khongsomphong, Gen Pin Thammasi, Lt Gen Nop Phinsaikaao, and Police Gen Suwan Rattanchun. Mr Ukkirut Mongkhonnawin, the president of the Senate, announced that this matter would be placed on the agenda for 29 August (BAN MUANG, 23 August).

A news source from the Government House revealed that military officers loyal to the monarchy are very upset by the statements made by Mr Wira. They have been angry for a long time. Some officers have suggested that the military take action just like it did in the past, when it used the military's mass media, to put "pressure" on Mr Wira and the Democrat Party and show the power of the military. However, other officers feel that the matter should be handled in accord with the law.

"Because they can't use the military's organizations to take action as in the past, these soldiers have had to resort to taking action through parliament," said the news source.

At the same time, leaflets entitled "Parliament is the Stage on Which To Solve the Country's Problems," have been disseminated among military circles, particularly within the 1st Army Region. The news source said that certain "big" military officers are taking resolute action on this. Not only have they given recordings of Mr Wira's speech to fellow officers and to their superiors, but they have also tried to meet with senior politicians in order to express their feelings about this in the name of loyalty to the monarchy.

It is worth noting that the activities of the senators in Mr Chawalit Rungsaeng's group, with Mr Saruang Aksaranukhro coordinating things with the military, have occurred at the same time as the activities of mass power groups in order to pressure the government to take swift action on the Wira case.

The Government's Attitude: This is a Legal Matter

Several important people in the Democrat Party have stated that this is a personal matter involving Mr Wira. Neither the Democrat Party nor the government is concerned.

Wira's Path, a Political Withdrawal

Initially, Mr Wira Musikaphong took a very tough attitude. His position was that this was an attempt by certain political groups to keep him from playing any role in the Democrat Party and government. Thus, besides stating that he intended to fight the charges to the end, he was adamant that he would not resign.

However, a news source in political circles told MATICHON that people close to Gen Prem Tinsulanon have recommended that Gen Prem Tinsulanon and Gen Prachuap Suntharangkun, for whom Mr Wira has great respect, ask him to resign as deputy minister of interior in order to reduce the political tension.

"If Mr Wira agrees, that will eliminate a political factor," said the news source. "The faction that is using the issue of loyalty as a political tool

will no longer be able to use this issue to carry on activities." The news source also said that if Mr Wira agrees to resign his positions as deputy minister and party secretary general, the large target now presented by the government and Democrat Party will shrink in size. At the same time, the Democrat Party can use this to reduce the conflict within the party by appointing either Mr Den Tomina or Mr Thawin Phraison deputy minister of interior. "If Mr Wira refuses to resign, both the government and the Democrat Party will come under strong attack," said the news source.

Conclusion, Like the Beginning

Actually, there have been signs that Mr Wira Musikaphong would become a political victim ever since charges were filed by a member of the United Democracy Party on 23 July. This is not to say that the member of this party filed charges with impure motives. But he has been charged with insulting the royal family, a very sensitive issue. It would be easy for certain people or political groups to turn this into a major issue just as in the August 1983 case involving Mr Sulak Siworak, who was charged with lese majeste, too.

In this latter case, the charges against Mr Sulak were finally dropped. This indicates that certain groups tried to use this as a political and military tool in order to achieve their objective of creating an incident.

The same is true in the case of Mr Wira Musikaphong. Most of the people who have demonstrated against him have done so with pure intentions. But there are a few who have other objectives besides destroying Mr Wira's political position. They are trying to use this incident to benefit and destroy the position and security of the government.

Editorial on Loyalty to Throne, Political Gain

Bangkok NAO NA in Thai 26 Aug 86 p 4

[Editorial: "Loyalty"]

[Excerpts] The case involving Mr Wira Musikaphong, the deputy minister of interior, who has been accused of committing lese majeste while making a campaign speech, will probably cause great alarm and concern among people in general.

Even though this case concerns the deputy minister of interior only, it will undoubtedly affect the stability of the government. And if the conflict is expanded by using the monarchy as a tool in carrying on political activities, the effects will be even more serious. This could affect the stability of Thailand's fragile democracy. This also reminds us of what happened on 6 October 1986. No one wants that to happen again.

Having respect for and being loyal to the monarchy is totally different from using the monarchy in order to reap political benefits. Because being loyal requires pure intentions and sincerity.

Bangkok NAE0 NA in Thai 24 Aug 86 pp 1, 13, 16

[Unattributed report: "Chuthai Hits Hard in Lese Majeste Case, Warns That If Parliament Does Not Take Action, 'Something Will Happen'"]

[Excerpts] Gen Chuthai Saengthawip, the inspector general of the armed forces, talked with NAE0 NA about the motion calling on the government to consider the case involving Mr Wira Musikaphong, the deputy minister of interior. Mr Wira has been accused of committing lese majeste. Gen Chuthai said that there are three reasons why he signed the motion. First, this happened a long time ago. In his capacity as a royal aide-de-camp, he wonders why a person who claims to love his country and king more than himself does not do something. Mr Wira's statements were aimed at winning votes for a fellow party member. Second, he wants to know who will take responsibility for this. This matter must be handled resolutely. People can't be afraid of the influence of others. Action must be taken. Third, he isn't interested in who is punished. He just wants to know what parliament, which represents the people, thinks about this. This is what will tell.

Gen Chuthai said that as a royal aide-de-camp, he wants to ensure that the monarchy survives and stands side-by-side with the constitution. He wants to know what the people in parliament think about what has happened. In the past, people showed little interest in this. All they talked about was who was going to get what position. People should not try to use the monarchy to win votes.

Gen Chuthai talked about what will happen if parliament does not take action on this matter. "Something will be done to protect the monarchy. But I can't tell you what at this time. I will look at the situation first. Parliament should be given a chance to resolve the matter."

As for the fact that Gen Prem met with Lt Gen Phichit yesterday, Gen Chuthai said that he does not know anything about that and is not interested. When asked whether the deputy minister of interior will have to take responsibility for this, Gen Chuthai said "anyone who says something like that must take responsibility. There are many other issues that can be used to win votes. He knows what is right and what is wrong."

The reporter asked whether he discussed this with officers serving as senators before signing this motion. Gen Chuthai said that they did not discuss this. They all felt the same way and so they signed.

Secretary General Denies Reports

Squadron Leader Prasong Sunsiri, the secretary general of the prime minister, talked with reporters while accompanying Gen Prem, the prime minister, who presided at a ceremony commemorating the 10th anniversary of the Employers Council of Thailand held at the Ambassador Hotel at 0900 hours on 23 August. He was asked about the reports that Gen Prem asked Lt Gen Phichit Kunlawanit, the 1st Army Region commander, to come see him at his home on the evening of 22 August. Because Lt Gen Phichit is one of the people who signed the motion

charging Mr Wira Musikaphong, the deputy minister of interior, with committing lese majeste. Squadron Leader Prasong said that that is not correct. Those reports were wrong.

Squadron Leader Prasong said that actually, Lt Gen Phichit is the one who asked permission to come see the prime minister. It was not the prime minister who requested the meeting. He said that he does not know what was discussed, because the two met in private. The reporter asked if they discussed the matter of Deputy Minister Wira. The secretary general of the prime minister said that "I don't want to guess. If you want to know, go ask Lt Gen Phichit."

Special Warfare General Sunthon's Remarks

Bangkok NAO NA in Thai 23 Aug 86 pp 1, 16

[Excerpt] Big George Confirms That Action Will Be Taken

Lt Gen Sunthon Khongsomphong, the commander of the Special Warfare Command in Lopburi Province, who, as a senator, signed the motion, told reporters that he did this in order to protect the monarchy.

"I have listened to the tape and read the newspapers. Everything is all true," said Lt Gen Sunthon.

The reporter asked what action will be taken. Lt Gen Sunthon replied that as far as he knows, action is already being taken in accord with the law. As an aide-de-camp to the king and a senator, his duty is to protect the monarchy. The reporter asked whether Mr Wira will have to resign his position as minister. Lt Gen Sunthon said that he doesn't know. That is up to the government and judicial officials. The reporter asked what will happen. Lt Gen Sunthon said that if it is proven that he committed lese majeste, legal action will have to be taken.

"We have taken action in our capacity as aide-de-camps and as soldiers of the king. People cannot touch the king," said Lt Gen Sunthon. The reporter asked whether the prime minister will be asked to explain the matter to the Senate. Lt Gen Sunthon said that things must be handled in stages. He will not inform the prime minister. The reporter asked what action will be taken. Lt Gen Sunthon replied that he doesn't know. The matter hasn't been discussed officially. "We are very upset about this."

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CSO: 4207/330

THAILAND

ADMIRAL SUPA CANDIDATE TO GET ARTHIT'S POST

Bangkok BANGKOK POST in English 1 Sep 86 p 3

[Text]

GENERAL Arthit, ~~Supa~~ is to hand over his responsibilities as Supreme Commander of the Armed Forces to his most senior deputy and likely successor Admiral Supa Kojaseni today.

The admiral, who was once tipped to become the Commander-in-Chief of the Navy, will be the first naval officer to get the post which has long been dominated by Army generals if he is appointed Supreme Commander as expected by observers of armed forces affairs.

Adm Supa is the only naval officer who had been moved out of the Navy for three times.

He was first transferred to become aide-de-camp to Gen Thanom Kittikachorn, who headed the Defence Ministry then.

He later returned to the Navy for a short period before he was again transferred in 1973 to the Office of the Defence Ministry's Perma-

nent Secretary. It was believed that his transfer was political in nature.

Later on, he was moved back to the Navy again. His last departure from the Navy occurred in late 1983 when he was transferred as the Royal Naval Academy commandant to become deputy chief-of-staff of the Supreme Command. Again it was said that his transfer was a political move to spoil his chance at the Navy's top post since he was the most senior officer then.

Adm Supa graduated from the Naval Academy in 1948. He served in the Fleet before joining the Korean War for one year. He returned from Korea to become a supervisor at the Navy's Pre-Cadet School.

He later went to the United States on a scholarship before returning to head the Navy Communications Division.

It was after his graduation from the Staff School that he was moved out of the Navy to work as Gen

Thanom's aide-de-camp.

Adm Supa was appointed to Washington as the attache of the Navy during 1965-1968. He went to Vietnam during 1968-1969 as the deputy commander of the Thai Volunteer Force in South Vietnam under Gen Chalad Hiranyasiri.

On his return from Vietnam in 1969, he became commander of the Gulf Patrol Division of the Fleet and was promoted to Fleet's chief-of-staff in 1973.

When the Government of Field Marshal Thanom was toppled in the October 14 student uprising, Adm Supa, who is the field marshal's son-in-law, was subsequently transferred to the Office of the Defence Ministry's Permanent Secretary for a year.

After that he served four more years at the Supreme Command before being moved back to the Navy in 1977 as an officer attached to the Navy Headquarters.

He was appointed com-

mandant of the Naval Academy in 1979 and remained in that position until 1983.

"Being a Navy man, I simply wanted to remain with the Navy. It was my superior who wanted me to come to the Supreme Command. I did not know why," Adm Supa said after learning of his transfer in late 1983.

"I wanted to grow up in the Navy because it is my home. When I had to move to the Supreme Command, I simply felt it was a loss."

Adm Supa was a fast-rising officer. He became vice admiral when he was only 46. His promotion as the Fleet's chief-of-staff in 1973 was criticised by many who alleged that he was given the post because of his family connection.

He held the rank of vice admiral for ten years before being promoted an admiral in 1983, when he was transferred to the Supreme Command.

Adm Supa is due to retire next year.

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CSO: 4200/8

THAILAND

REINSTATED OFFICERS' ACTS NOT TO BE CONDONED

Bangkok BANGKOK POST in English 1 Sep 86 p 6

[Editorial: "'Young Turks' Come In From the Cold"]

[Text]

THE long-awaited reinstatement of the military officers involved in the abortive coup attempt of April 1-3, 1981 became official last Friday. A Defence Ministry order putting it into effect was signed by the then acting Defence Minister General Prem Tinsulanonda on August 5 before the new Cabinet took office. It could not have come at a more opportune time because most of these officers were on the brink of giving up all hope of ever being reinstated.

Speculation has it that the architect of the move was General Chavalit Yongchaiyudh, the new Commander-in-Chief of the Army. It would be difficult to refute such speculation, but the ultimate credit must go to General Prem, who is now no longer Defence Minister nor Army Commander-in-Chief. For it was he who utilised the very special blend of intellect, compassion and wisdom necessary to agree to forgive and forget the past actions of these officers.

All due credit must be given to General Chavalit for making the first real effort as a new Army Commander-in-Chief to bring all his forces together under one roof. Long before the April Fools' Day Coup of 1981, the Army was factionalised and split into different distinctive

classes or groups which resulted in intense rivalry taking place. The ugly consequences of that rivalry have been very damaging, not only to the country's image, but also to the Army itself. This factionalisation has also hampered the creation of an atmosphere conducive to the professionalisation of the Army and General Chavalit is determined to change all that. Under his leadership, the Army, within a very short space of time, has begun to adopt a more rational outlook and champion responsible change and achievement of the goals of national development in an orderly fashion. Gen Chavalit has promised not only that the military will play a positive, coordinating role in promoting democracy, but also eventually take it out of politics altogether. Even if he does not succeed, his determination and will to try is already good news for the country.

The reinstatement of the "Young Turk" officers cannot be taken as an indication that all is now well again within the Army. For one thing, the reinstatement should not be taken to mean that the Army condones their role in any coup attempt, past, present or future. Reconciliation within the Army should guarantee that from now on the concept of the coup d'etat has become obsolete

and that history will no longer continue to repeat itself, because the cost is too high, both spiritually and materially. By giving these officers — and possibly others — another chance, General Chavalit seems to have realised that the modern Army's demand in skills and functions goes far beyond mere textbook tactics and the control of defensive firepower. Today's Army is epitomised by Gen Chavalit in that emphasis is placed more on intellectual ability than on authoritarianism and physical strength.

With this reinstatement of 28 "Young Turk" officers, we can only hope that the Army will develop its sense of maturity and put aside all misunderstandings. It is also our hope that our Army will grow in professionalism, earning the healthy respect of not only our own people but also that of our adversaries, whoever they may be. This action on the part of the military should also serve as an example to some civilian politicians, whose lust is only for power — and knowing every trick in the book except how to forgive or forget, creating only administrative incompetence, indecision, inaction and in the end degrading themselves before the public they are paid to serve.

THAILAND

FIRST ARMY REGION DEPUTY COMMANDER PROFILED

Bangkok MATICHON SUT SAPDA in Thai 24 Aug 86 p 16

[MATICHON Profile column: "Maj Gen Wattnachai Wutisiri, the Deputy Commander of the 1st Army Region"]

[Text] He was born on 24 June 1935 in Bangkok Metropolitan. He is now 51 years old. He is the 5th of the 10 children of Cpt Khunthawoyahanphithak and Mrs Phuong Wutisiri.

The first school that he attended was the Ananthana Suksa School in Dusit District. After that, he attended Yothinburana, where he completed Grade 10 in 1950. He attended the Preparatory School in 1952 and then entered the Chulachomklao Royal Military Academy (CRMA) as a member of Class 4, the same class as Maj Gen Thanaphon Bunyopatsathan, the deputy commander of the Special Warfare Command, and Maj Gen Yutthana Yaemphan, the deputy commander of the 1st Army Region.

In 1956 he attended the Artillery School. In 1957 he was commissioned a sublieutenant and entered government service as an assistant operations officer at the Artillery Center. In 1963 he was appointed S3 of the 4th Battalion, 2d AAA Regiment. In 1964 he entered the Army Command and General Staff College as a member of Class 43. In 1965 he was appointed intelligence chief with the AAA Division. In 1967 he was sent to fight in Vietnam as a member of the "Chong Ang Suk" group. Other officers in this group included Gen Chawalit Yongchaiyut, the RTA CINC, and Lt Gen Phichit Kunlawanit, the 1st Army Region commander. He played a heroic role in the Phuc Tho operation and was awarded the U.S. Medal of Valor. On his return to Thailand in 1968 he was promoted to lieutenant colonel and appointed operations chief with the AAA Division. In 1969 he attended the U.S. Command and General Staff College. On his return, he served as an instructor and assistant head of the Department of Tactics, Army Command and General Staff College.

In 1971 he was appointed commander of the 23d Battalion, 23d Regimental Combat Team, AAA Division. The regiment was commanded by then Col Athit Kamlangek. In 1973 he was promoted to colonel and made deputy commander of the 2d AAA Regiment. In 1975 he was promoted to special colonel and appointed commander of the 1st AAA Regiment. In 1977 he was appointed chief of staff of the AAA

Division. In 1980 he was appointed deputy commander of the AAA Division. And in 1982 he was promoted to major general and appointed commander of the AAA Division. In 1984 he was made deputy commander of the 1st Army Region, his present position.

He has had a very distinguished military career. He has been appointed to higher and higher positions, never serving in one position for more than 2 years. This year, it is expected that either he or Maj Gen Yutthana Yaemphan, a fellow classmate, will be promoted to lieutenant general and appointed 1st Army Region commander.

He is married to Mrs Supha Kasemsuwan. They have three sons.

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CSO: 4207/324

THAILAND

POLICE GENERAL WITH CLASS 5 LINKS PROFILED

Bangkok MATICHON SUT SAPDA in Thai 24 Aug 86 p 16

[MATICHON Profile column: "Police Maj Gen Suthiya Moranon, the Inspector General and Acting Commander of the Police Provincial 10"]

[Text] He was born on 21 November 1934 in Bangkok Metropolitan. He is the youngest of the six children of Police Col Khunnonthaseni (Tuan) and Mrs Chuan.

He completed Grade 4 at the Sithammarat Withaya School in Nakhon Sithammarat Province in 1945. In 1947 he completed Grade 6 at the Phra Pathom Withayalai School in Nakhon Pathom Province. He completed Grade 10 at Thepsirin School in 1951. In 1953 he graduated from the Army Preparatory School, Class 12. He then entered the Chulachomklao Royal Military Academy (CRMA) as a member of Class 5, from where he graduated in 1958. He then joined the police force.

In 1959 he was appointed deputy inspector for investigation at the Samsen police station. In 1962 he was transferred and made deputy inspector for investigation at the Phya Thai station. In 1966 and 1967 he served as the inspector for investigation at the Dusit and Bang Su police stations respectively. In 1969 he was made chief inspector at the Bang Su station. In 1971, 1973, and 1975 he was appointed deputy superintendent of the Metropolitan 2, Metropolitan 4, and Metropolitan 3 respectively. He was then appointed deputy superintendent of the Northern Bangkok Metropolitan Police. In 1976 he was appointed superintendent of the Metropolitan 10. In 1978 he was made superintendent of the Northern Bangkok Metropolitan Police. In 1981 he was appointed deputy commander of the Southern Bangkok Metropolitan Police. In 1984 he was made deputy commander of the Northern Bangkok Metropolitan Police. That same year, he was transferred and made deputy commander of the Suppression Division. In 1985 he was promoted to police major general and appointed commander attached to the Border Patrol Police. That same year he was made inspector general.

In the 1986 annual reshuffle of police officers, on 30 July the Police Commission appointed him commander of the Police Provincial 10 in place of Police Maj Gen Chawiang Siriwatho, who was transferred and made assistant commissioner of the Provincial 4 in the wake of the tantalum case in Phuket.

He is the eighth of the nine police officers from CRMA to be promoted to general. The others are Police Maj Chamnan Suwannarak, the assistant commissioner of the Provincial 1; Police Maj Gen Thanaphon Intharawitchat, the assistant commissioner of the Provincial 4; Police Maj Gen Phaithun Suwannasichian, the assistant commissioner of the Metropolitan Police; Police Maj Gen Winit Charoensiri, the assistant commissioner of the Metropolitan Police; Police Maj Gen Wirot Pao-in, commander attached to the Border Patrol Police; Police Maj Gen Bunchu Wangkanon, the commander of the Suppression Division; Police Maj Gen Mongkhon Surathin, the assistant commissioner of the Education Bureau; and Police Col Phinit Sunsatham, who will be promoted to police major general and appointed commander of the Railway Police during this year's reshuffle.

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CSO: 4207/324

THAILAND

CONTROVERSIAL 'HOUSING ESTATE SHARE' DEVELOPING RAPIDLY

Bangkok BANGKOK POST (HOME BUSINESS supplement) in English 12 Sep 86 p 16

[Article by Kawaljit Singh: "Here Comes Another 'Chit Fund'"]

[Text]

Several major commercial banks, pressured by growing excess liquidity, have relented in reducing the interest in deposits again.

Looking back, this latest cut in interest rates on September 9 — it should be noted that only deposit interests were brought down this time, while the lending rate ceiling remains unchanged at 15% — is the fifth time it has been by local commercial banks this year.

It should also be noted that the September 9 cut saw interests on one-year fixed deposits dropping from 8% per annum to 7.25%, and if the 15% interest tax is taken into account, depositors will receive only slightly over 6%. Believe it or not, this is one of the lowest deposit interests in the past several years.

Many people, very much concerned with their declining interest income, have started pondering whether it's worthwhile leaving their money to idle in a bank, disregarding the low return. Some have also thought of utilising their money in the bank in other types of investments which offer a much higher return despite the risks involved.

Amidst the declining deposit interests comes a new type of business. In fact, it has been in operation for more than a year, expanding dramatically in this short period, luring thousands of people to invest their money in it.

The latest "chit fund" involves a housing estate located in Lam

Look Ka District of Pathum Thani Province. The project developer is mobilising up to 2,000 million baht from the public reportedly to build 1,000 single storey houses and another 4,000 townhouses on a 2,000 rai plot it owned.

The company, while convincing the people to join its investment, assures quite a massive return — equivalent to about 8.33% monthly interest payment — for investors who buy its shares. For example, people who buy about 12,000 baht worth of shares will get in return 1,500 baht monthly payments from the company over the next two years.

To be exact, investors will have received a total of 36,000 baht at the end of the second year from a mere investment of 12,000 baht, in other words, twice the investment sum. And if the amount invested is 120,000 baht, the return would be 360,000 baht!

Of course, anyone would raise his eyebrows over such a high return on an investment. Which, of course, is much better and higher than depositing one's money in a bank, or doing various other businesses.

This, sources said, has led to a sharp increase in the number of people investing in this type of shares.

However, many also wonder and question the ability of the company to pay up such a high return, particularly after the painful and costly experience from the so-called

"Oil Share" or better known as "Share Chamoy" which still remains in the hearts of most people.

If memories serve well, the Oil Share had lured thousands of people, ranging from the low to the high income brackets because of its attractive returns, before its disastrous ending which saw a number of unlucky investors getting a mere marginal 2.5% of their investment.

Yet, sources say, many investors believe that this so-called "housing estate share" is quite different from the Oil Share because they could invest any small sum that suits their purse against the 160,000 baht minimum deposit in the Chamoy shares. Therefore, they could reduce the risks involved.

Moreover, this share offers a much higher return, equivalent to about 8.3% monthly interest payment against about 6.5% of the former chit fund business. Not only that. Investors in the new share "club" will take only eight months to get back their capital...much shorter than about 1 1/2 years under the Chamoy Share.

Another important factor which attracted people is that unlike Chamoy's business which did not really exist, the company developing the housing estate project does exist and operates its business.

Also, they believe that it is quite possible that the developer could offer such a high payment because of the fact that land prices keep rising all the time.

Sources say, although many realise that this type of investment is quite risky, they seem to be quite willing to take the risk because it

will take them only eight months to cover their investment, considered quite a short period. From then on they could reap benefits.

But if they are unfortunate and don't receive anything after that, they could consider it as only a loss of a small sum of money by way of interest.

On the other hand, if Lady Luck decides to stay with them, they could expect a monthly return beginning from the ninth month onwards.

The interest earned in the ninth month alone would be more covering the interest they would have earned from depositing money with a bank for the next two years, based on the existing interest rate.

Sources also disclosed that this company, in mobilising investment from the public, has set up several so-called "sales" teams which are offering a very high and attractive incentive, varying on the amount of the investment they could mobilise.

For example, sources say, these brokers would get about 50,000 baht in return if they bring in one million baht, 150,000 baht for two million baht, and if the sum reaches three million baht, they would receive a car valued at 250,000 baht plus 75,000 baht cash.

The existence of the latest type of share business has caused grave concern among several government agencies, particularly the Finance Ministry and the Police Department. Permanent Secretary for Finance Panas Simasathien warned the public to refrain from venturing into this type of business

and added that the ministry's officials were monitoring information on the issue for presentation to the police authorities.

A senior official at the Crime Suppression Division said the CSD was keeping a close watch on the operation of this business and its management whether it comes under the chit fund law.

Not only that, three housing estate-related associations feel quite unhappy over the ongoing business because they fear that this would create a negative attitude towards housing estates among the public, if the "share-business" happens to collapse.

"It might deprive people of their confidence in the housing estate business, particularly when people have to make a down payment for houses before construction work actually starts," sources quoted one of the association's officials as saying.

The controversial Chamoy Share is still haunting many investors who were lured by the attractive returns and who finally ended up with getting almost nothing, except for a small return. No one really knows how long this new share group will last. But one thing is sure. If such businesses are allowed to grow at such speed without any immediate action from government authorities, it might shake the country's financial system again and that a large amount of money would be siphoned off from the banking system to the unorganised money market again, and finally these investors might experience another sad ending.

By that time, history could repeat itself.

THAILAND

PRINCESS CHULABHORN TELLS OF RECOVERY

Bangkok BANGKOK POST (OUTLOOK Supplement) in English 12 Sep 86 p 29

[Text]

EARLY this year Her Royal Highness Princess Chulabhorn went through a crisis which is now over and strengthened her religious spirit while deepening her commitment to the less fortunate.

"I couldn't sleep the whole night," said the princess on learning that she was suffering from a blood disease which was diagnosed as incurable. Her eyes reddened when recalling those tormenting moments.

"I was so worried about the children. They are still very small." Her two lovable toddlers, Their Royal Highness Princess Siribha Chudhabhorn and Princess Adityadornkitikhun are now four and two respectively.

The blood disease had made the princess ache all over, lose sleep, and she could eat very little which explains her apparent loss of weight.

During the first phase of despair, Princess Chulabhorn said she went to pay respect to various venerable monks in the country as well as praying for long life at the sacred Emerald Buddha image.

And while the princess attributed her miraculous recovery to the Sacred Power, sources said the princess meditates for at least an hour a day to strengthen her spirit and inner peace.

The princess learned meditation with the reverend Yanasangworn at Wat Bovornnives, sources said.

It's spiritual strength that has made her feel better. "Much better than medicine," she is quoted as saying.

With quiet encouragement from her husband, the princess revealed the innermost feelings of a young mother threatened with parting from her loving family recently at her private residential area in Chitralada Palace.

The reception room where a press group was granted an audience was brimming with a strong sense of family attachment. Instead of expensive decorative items, the room is adorned with a collection of her family pictures, radiating a warm feeling instead of the expected royal formality.

One of them is a cartoon drawing of a monkey with a wide grin by her niece, HRH Princess Bhajara Kittiyabha. The little princess wrote under the drawing: "This is Siribha," the nickname of Princess Chulabhorn's eldest daughter.

The princess' sleepless nights resulted in a poem expressing her reflections on death which has now become the song "Gao Sood Tai Ti Plai Tarn" in her latest album "Duangtip" to raise funds for a new building for needy patients at Siriraj Hospital.

The song, she said, exemplifies the one Buddhist wisdom that good health is one's most precious possession.

"Those who are healthy should consider themselves lucky. Why keep pursuing material wealth and praises? Why be corrupt and cheat? Good health is the best

blessing. Only those close to death will be aware of this," she said.

"No one can have a perfect happy life without any sufferings," she went on, her voice accentuated with deep religious revelation.

"Everyone has to have their own worries, more or less. We were born because we have past karma. If not, then we don't have to be born at all. If you have good health, you should be happy with that although you are not a millionaire. Good health is one's most precious gift. The ones who are satisfied with it will always have fewer disappointments."

Asked what she would like to be born as if she could choose, the princess chuckled at its impossibility.

"I'd rather not choose. Because you cannot choose. According to Buddhism, you are destined by your past deeds. The merits and demerits we did will determine our birth."

But if she could choose at all, she'd rather not be born at all, she said. "Because everyone, from the king down to laymen, they all have their own sufferings."

With a light laugh and a jokingly protesting tone, she noted that princes and princesses are but human beings with flesh and blood.

"We also fall ill sometimes, you know?" she said. Then she continued on a more serious note.

"And we do have our responsibilities. This is not to say for our own favour. But we are working for the people. I've been working with the mobile doctor unit for more than 15 years. And it makes me feel happiest to see the patients we help recovering. In the meantime I cannot help feeling deeply distressed when we are unable to help them despite our efforts."

"I can also say on behalf of His Majesty that the people's sufferings are his own sufferings," she said.

The Royal Family, she said, is soon leaving for Taksin Palace in Narathiwat Province on their annual visit to the South. Her Majesty the Queen will also go out to visit the villagers in flooded areas despite her ailing health.

Apart from the fund-raising activities, what occupies Princess Chulabhorn's mind is the preparation for an overseas lecture

trip.

She said she would not disclose everything in her lectures about medicinal synthetics and the use of herbs in modern medicine for fear that the valuable information will be taken by western scientists with better financial support and equipment.

Princess Chulabhorn praised Thai scientists, saying they are highly capable but lack support. "I want the Thai people to be proud of our human resources, our rich culture and ancient history," she said, adding that many people still considered westerners more capable than Thais.

The princess blushes when asked if she wanted to have a son and when she would have her next child.

"We want to. But time is not on our side," she said with a smile, looking at her husband, the royal consort Sqn Ldr Virayuth Didyasarin, who sat beside her. "We probably will have to wait until the Siamindr Building is completed first," she said.

This new building is expected to cost 400 million baht. The princess is now chairing the fund-raising committee to collect 160 million baht as the Government can only allocate 240 million baht for the construction.

A happy smile lightened the princess' face when asked what Sqn Ldr Virayuth thought of her "Duangtip" effort.

"He has complimented it," she said. "He also helps out with the selling of the tapes to raise funds."

She laughed when asked who is the leader in her family. Likening the follower to the elephant's hind legs in the Thai saying, she said it all depends on each family's agreement.

Pressed further, she joked that they agreed on not letting the front or hind legs dictate the direction they are going. "We go sideways instead," she chuckled.

But it's no laughing matter when she talked about the tape and video pirates. She said she wanted to get the message across to them through the mass media that it is a sin to copy her cassettes and music videos which are for charity.

Princess Chulabhorn's music video will be finished at the end of this month and will be available for screening and for sale in October or November.

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

KPNLF INTERNAL RIFT REPORTED PERSISTING

Bangkok BANGKOK POST in English 5 Sep 86 p 4

[Article by Jacques Bekaert]

[Text]

IN September 1981, as Khmer leaders of the future Coalition Government of Democratic Kampuchea were in Singapore for consultations, Prime Minister Lee Kwan Yew told Prince Norodom Sihanouk he should join hands with Mr Son Sann, "such an impeccable man," rather than dedicate time to the newly-created Funcinpec. A year later, Prince Sihanouk, back in Singapore, informed Prime Minister Lee that some of his own supporters were extremely reluctant to rally toward Son Sann. "What I did propose," said the Prince during a recent interview in Bang Saen, "was that we could dissolve both the Funcinpec and the KPNLF and launch a new Nationalist United Front, under two co-presidents, Sihanouk and Son Sann."

Lee Kwan Yew believed the proposal to be a good idea. And decided to mention it to Mr Son Sann. A year later, a new meeting took place between the Prince and Mr Lee Kwan Yew. "The Prime Minister told me: 'I did not know Mr Son Sann was so obstinate. He does not want such a Nationalist Union'."

In 1985 relations between ANS-Funcinpec and the KPNLF were fairly good. The National Sihanoukist Army, finally, had become a force to reckon with. It was not any more the patchwork of loose groups united only in their respect for Prince Sihanouk. It was beginning to look like an honourable partner

and its gallant defence of Tatum, in March 1985 (it held the base for a week) gave it some much-needed self confidence. But by then it was the turn of the Khmer People's National Liberation Front (KPNLF) to feel the burden of internal divisions and disputes.

Within the KPNLF a growing number of people felt uneasy about Mr Son Sann's leadership. Too personal, too much of a family operation, they complained. Too dictatorial, they added. "The KPNLF was supposed to be a model of democratic organisation, but the Executive Committee, the ruling body, is entirely controlled by people close to Mr Son Sann," a senior KPNLF official told us last year during the United Nations General Assembly in New York. "We are on the verge of a split within the movement," he added. Indeed, in December the creation of a Salvation Committee was announced, with among its leaders, generals Sak Sutsakhan and Dien Del, Dr Abdul Gaffar Peang Meth and Mr Hing Khunton. They quickly received the support of several leading members of the Council of the Elders of the KPNLF, a sort of advisory body with moral power.

Mr Son Sann was not without supporters either. A few military leaders sent letters of support. By and large the civilian population of Site 2, a vast civilian camp near the Kampuchean border, controlled by the KPNLF, was rather in favour of Mr Son Sann, because, as one of the Khmer civilian told us

during a visit to Site 2 last December, "Mr Son Sann is a good man, in favour of discipline and morality."

The civilians indeed had many reasons to complain and some of the worst abuses — by KPNLF troops — have not ended yet. New arrivals must find the "taste of freedom" a bit bitter and expensive.

Several people and countries tried to help heal the rift between the KPNLF factions. But to no avail. Today, almost 10 months later, the situation has not changed much. General Sak Sutsakhan is still the man in charge of military operations while Mr Son Sann finds it increasingly difficult to even visit the border.

Mr Son Sann and the Executive Committee — minus its rebellious members — dismissed both generals and decided to expel Dr Gaffar and Mr Hing Khunton, seen as the "Young Turks" of the dissidence. But the two men are still here, living most of the time near the border.

"During the past few days I met both sides," Prince Sihanouk said. "It is a bit ironic that some KPNLF members now see me as the man who can save the organisation."

It has been suggested by certain countries supporting the coalition that it is time for the Sihanoukist organisation to little by little "absorb" the KPNLF. Neither Prince Sihanouk nor the supreme commander of the ANS, Prince Norodom Ranariddh, wants to do so. "I do not want to 'steal' people or troops from my partners," Prince Sihanouk said.

Mr Son Sann is not happy with the turn of events. The real power over the KPNLF is at the border

and at the border he is not. A general close to him, like Mr Thach Reng, a former commander of the Special Forces under the Khmer Republic, is no longer wanted at the border (for reasons not fully known by this correspondent). The dissidents are ready to give Mr Son Sann prestigious but largely honorary functions. The president wants real power and insists that Dr Gaffar and Hing Khunton must go.

A few weeks ago Mr Son Sann declined to come to Thailand for the ceremony during which the new Malaysian ambassador presented his credentials to Prince Sihanouk. For the first time the ceremony took place in a Sihanoukist zone. Previous similar functions had all been in Khmer Rouge-controlled areas and KPNLF representatives had always boycotted them. (A bit strange, for an attitude. Either you are, or you are not, in a government. If you are, why pretend otherwise... Every body knows anyway!)

Mr Son Sann will go straight from Paris to Peking for the forthcoming big reunion of the coalition in the Chinese capital. And only members of his "faction" will be in Peking. This is not exactly what China itself expected.

Recently Prince Sihanouk was told by a Chinese diplomat that it would be a good idea if General Sak Sutsakhan and a few others of the "dissidents" would be on the trip. After all, military matters are going to be discussed. Prince Sihanouk offered to include General Sak, Colonel Chak Bory and Mr Penn Thula in the delegations. He informed Mr Son Sann of the Chinese wish, only to be promptly told by Mr Son Sann that only the president of the KPNLF could decide who goes to China. No dissi-

dents, please! So Prince Sihanouk, on September 2, sent a telegram to the KPNLF president. "I have no right to interfere with KPNLF internal matters. So I take into account your Excellency's demands. General Sak, Col Chak Bory and Mr Penn Thula will not be part of the tripartite delegation to Peking."

"It is true, I don't want to interfere. But Mr Son Sann places himself in a difficult position," explained Prince Sihanouk. "We are in the middle of a war, we need our friends and their assistance."

Until recently China did support Mr Son Sann. It did not want to see dramatic changes in the coalition, especially as a result of a rebellion. But China is before all pragmatic and realistic. Whatever feeling they have for Mr Son Sann personally, Chinese leaders see that the war is being conducted by others. In the past few months discreet contacts have been established by Chinese representatives with the members of the Salvation Committee.

The conflict within the KPNLF is seen as a serious problem by countries willing to help and provide material assistance. Several countries are at present wondering to whom aid should go. They could either wait or give it to international organisations instead of directly to the KPNLF.

In Peking, China will probably discuss military matters with the coalition representatives. New supplies of weapons are expected for the resistance. And the Chinese are beginning to wonder if they should be talking business with Mr Son Sann, no matter how respectable a man he may be, or with somebody else.

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CSO: 4200/9

PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

SPK REPORTS THAI VIOLATIONS--Phnom Penh, 14 Sep (SPK)--Seven reconnaissance flights by Thai aircraft of the L-19 and A-37 types were reported during the week ending 5 September in the regions of Poipet, Phnum Malai, and northwest of Benda, located between 1 and 2 km inside Cambodia's airspace. At sea, Thai vessels conducted 233 intrusions, or 67 times more than the previous week, into the zones located 11 to 24 km off Kong and Tang Islands. During the same week, Cambodian border guards put out of action 169 reactionary Cambodians crossing the border from Thailand for sabotage purposes, including 68 captured, and seized 91 assorted weapons and some other war materiel. [Text] [Phnom Penh SPK in French 1130 GMT 14 Sep 86] /9365

BATTAMBANG PROVINCE RETURNEES--Phnom Penh, 10 Sep (SPK)--During the first 10 days in August, 106 persons misled by enemy propaganda presented themselves to revolutionary authorities in Bavel District, Battambang Province. These returnees--10 Polpotists and 96 Sereika soldiers--brought along 27 weapons and war materiel. They were provided facilities to build a new life with their families. [Text] [Phnom Penh SPK in French 0403 GMT 10 Sep 86 BK] /9365

DELEGATION VISITS VIETNAM--Phnom Penh, 6 Sep (SPK)--A delegation from the statistics office of the Planning Ministry recently visited Vietnam. It was led by Deputy Planning Minister Kao Samut and was received by Vo Van Kiet, member of the Communist Party of Vietnam Central Committee Political Bureau and vice president of the Council of Ministers. [Summary] [Phnom Penh SPK in French 1143 GMT 6 Sep 86 BK] /9365

HUN SEN MEETS POLISH ENVOY--Phnom Penh, 12 Sep (SPK)--Hun Sen, chairman of the Council of Ministers and minister of foreign affairs of the PRK, received in Phnom Penh last Wednesday Ambassador Extraordinary and Plenipotentiary of the People's Republic of Poland (PRP) Ludwick Kockowski, who came to take leave of his diplomatic mission in Cambodia. On this occasion, Ludwick Kockowski highly appreciated the all-round development taking place in Cambodia over the past few years and expressed satisfaction with the good relations of solidarity and multifaceted cooperation between the PRK and the PRP. In his answer, Chairman Hun Sen expressed high appreciation of the Polish diplomat's mission to Cambodia which, he said, has greatly contributed to promoting the bilateral all-round cooperation. He wished the Polish envoy more and greater successes in his new tasks. [Text] [Phnom Penh SPK in French 0404 GMT 12 Sep 86] /9365

PRK-SRV PROVINCIAL COOPERATION--Phnom Penh, 30 Aug (SPK)--A delegation from Stung Treng Province recently visited the Vietnamese province of Phu Khanh. During its stay, the delegation concluded an economic and cultural cooperation plan for 1987 between Stung Treng and Phu Khanh Provinces. It also held working sessions with those responsible for industrial, agricultural, commercial, and communications and transport services of Phu Khanh Province. On behalf of Cambodia, the delegation decorated Phu Khanh cadres with the Labor Order, first class, and the Friendship Order for their contribution to the development of Stung Treng Province. [Text] [Phnom Penh SPK in French 0409 GMT 30 Aug 86 BK] /9365

SUPPORT FOR SOVIET PROPOSAL--Phnom Penh, 30 Aug (SPK)--A meeting was organized in Phnom Penh on Friday afternoon [29 August] to support Gorbachev's statement on extending the Soviet moratorium on nuclear testing. Among those attending the meeting were Pen Navut, education minister; Yit Kimseng, public health minister; Min Khin, KUFNCD general secretary; Boris Romanov, advisor to the Vietnamese Embassy; and Anatoliy Borovich, acting director of the Soviet Cultural Center. [Summary] [Phnom Penh SPK in French 0417 GMT 30 Aug 86 BK] /9365

CSO: 4219/1

MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

DEFENSE NEEDS EXAMINED IN LIGHT OF PRC CONFRONTATION POLICY

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Jun 86 pp 1, 2, 5-7, 27

[Article by Trung Dung: "Toward the 6th Congress of the Party: on the Task of Defending the Fatherland"]

[Excerpts] It was not possible for the party to initially know all that the task of defending the fatherland would entail.

As we know, new developments subsequently occurred in the situation. The armed conflicts along our country's southwestern border gradually became a real war that we did not anticipate. On their side, it was a war of aggression of the Pol Pot traitors--whom we gradually came to see were lackeys of the reactionary authorities in Beijing. On our side, it was a war fought by our armed forces and people to defend the fatherland. New enemies gradually showed themselves, from the Maoist reactionaries within ruling circles in China to the U.S. imperialists and their various lackeys. Then, in 1979, Beijing, using some 600,000 Chinese troops, unleashed a direct war of aggression along our country's northern border. "Comrades-in-arms with whom we shared the same trench" yesterday had betrayed us, openly and brazenly. Of course, this evil decision of theirs did not just come about all at once but had been in the making for a long time.

Our armed forces and people had no choice but to take up arms, to fight and defend the gains of the revolution and the beloved fatherland. Having just emerged from a 30 year war fraught with difficulties and sacrifices, what reason was there for us to want to go to war again? For what reason would a small country such as ours want to commit aggression against a large country such as China? The nation of Vietnam knows the price that must be paid for independence, freedom and peace. We, more than anyone else, cherish independence, freedom and peace, for our nation and all other nations. We were, therefore, determined to defend the independence and freedom that we had won.

We have been very steadfast and determined, but also extremely flexible, our aim being to achieve peace in order to build the country in independence and freedom. However, the enemy, an enemy whose nature is the same as that of the

great Han expansionists, an enemy who is exceedingly obstinate, continues to deliberately oppose Vietnam's revolution, deliberately violate the independence and sovereignty of the Vietnamese fatherland!

Our party, our armed forces and our people approach the 6th Congress of the Party against the background of international and domestic situations that afford many basic advantages but also pose many difficulties and complex problems.

The schemes of China and Sino-U.S. collaboration continue to make the situation in Southeast Asia and Indochina tense. Those in Beijing have not abandoned their sinister plans concerning Vietnam and all three countries of Indochina. While seeking to improve their relations with the fraternal socialist countries, they have been looking for every way to isolate Vietnam, to divide the three countries in Indochina and have continued to oppose and attack the revolutions of Vietnam, Cambodia and Laos despite the desire for peace, the good will and the flexible attitude of we Vietnamese as well as the peoples of the other countries in this region. It is they--not someone else--who seek confrontation in place of dialogue. They still think that they have nothing to gain by normalizing relations with us!

Clearly, as long as Beijing continues to pursue its present policy, a policy designed to make us slowly "bleed" and eventually yield to them, our people cannot achieve true stability or peace. Our country will remain in a state of both peace and war, not a large-scale war, but a very fierce war none the less. It can be seen in advance that Beijing will only change its policy when it suffers heavier military and political defeats, defeats on the battlefield, in the world and at home. However, this change in policy, if it does occur, will also have the aim of enabling them to carry out their cunning plan more "effectively" and the struggle of our people will be made even more complex.

Therefore, today and for many years to come, our people must continue to carry out the two strategic tasks of successfully building socialism and being ready to fight and firmly defend the socialist fatherland.

While concentrating on economic construction, it is necessary to mobilize the strengths of the people and the country to capably support the people's armed forces in winning victory over the war of encroachment and occupation along the border, constantly strengthen the solid battlefield deployment of the people's war along the frontline, defend the fatherland's entire border and fulfill our international obligations. At the same time, we must closely combine national defense with security work so that we can continue to defend the enemy's wide-ranging war of sabotage and maintain political security and social order and safety in all localities.

We must continue to build powerful people's armed forces consisting of all three elements of the military. We must build a conventional and modern people's army that has a rational number of standing forces, has an efficient table of organization and equipment, is well trained and includes powerful, closely managed reserve forces that are ready to expand the army when the situation demands. The people's army must undergo changes from the standpoint of its quality and fighting strength so that it is fully capable of winning

victory along the northern border and fulfilling its international obligation on the battlefields of Cambodia and Laos in accordance with the requirements of its strategic mission while being ready to join the people in winning victory over a war of aggression of any size. Attention must be given to looking after the living conditions of cadres and soldiers and performing good army rear area work to enable the soldier to firmly stand his ground on the frontline and enable officers and enlisted personnel to build the army free from worry.

To meet the requirements of the task of defending the fatherland in the immediate future as well as over the long range, we must continue to build a solid and strong national defense system, closely combine national defense with the economy and strengthen the overall potentials of the entire country, of every locality and sector, of each basic unit. We must continue to expand mobilization preparation plans and develop procedures for mobilizing the army, mobilizing the people and mobilizing the economy so that we are ready to put the country on a war time footing when we face a large-scale war of aggression and can effectively deal with each situation.

Our country's economy is currently experiencing many difficulties and will continue to experience many difficulties in the years ahead. According to general estimates, we will not meet the socio-economic targets set for the initial stage of the period of transition until the 1990's. This is because our country's economy is a backward agricultural economy, an economy in which small-scale production predominates, an economy that is advancing to socialism without experiencing the stage of capitalist development. In addition, our country experienced several decades of continuous war, has known few days of true peace and must today continue to fight a war which, although limited in scope, will be long. The enemy might devise new schemes and tactics. Our party and people, although they have a wealth of experience in leading and fighting a people's war, have little knowledge or experience in building and managing the economy. There are also some special characteristics associated with the path to socialism in our country that require a process of research and testing. On this basis, efforts by our party and people will surely quickly bring the economy beyond the difficulties now being faced, slowly stabilize the economy and gradually move it forward if we understand and correctly apply laws.

The above mentioned economic situation of the country and new developments in the enemy's strategy strongly affect the combat mission, the combat readiness mission and the buildup of the armed forces, strongly affect the work of strengthening our national defense forces nationwide and within each locality. Therefore, we must be able to correctly assess each specific situation, be very inquisitive and creative in practice and be very sensitive to the new as it emerges in life, to new changes in the strategy of the enemy if we are to promptly meet the pressing requirements we face from the standpoint of the economy, living conditions and national defense and complete each task of building socialism and defending the fatherland well. As for itself, our army must practice thorough economy in each national defense expenditure, display a high spirit of frugality in building the army and actively participate in productive labor to improve its own standard of living and contribute to the building of the economy, the building of the country.

In the cause of defending the fatherland and building the country, our people, under all circumstances, always attach importance to strengthening the special friendship, the long-standing strategic and tactical alliance with the two fraternal countries of Laos and Cambodia with which we share the common battlefield of Indochina. We are fully devoted to strengthening our militant solidarity and strategic alliance with the great Soviet Union and the entire world socialist community and winning the sympathy and support of the peoples of all nations, of the forces of revolution and peace throughout the world. We must make the most of every possibility for achieving peaceful conditions for building the country. At the same time, we must be ready to victoriously deal with aggressors in every situation.

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CSO: 4209/792

MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

ARMY JOURNAL REVIEWS STATUS OF NATIONAL DEFENSE PLANNING

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Jun 86 pp 61-70

[Article by Major General Do Hoang Mao: "National Defense Planning on the District Level Within the Capital Military Region"]

[Text] In the present cause of building and defending the socialist fatherland, the district level occupies a very important position. The district is the base for reorganizing production, reorganizing and redistributing labor and carrying out the three revolutions in the countryside. It is the level that directly supports the material and cultural lives of the people. It is the position of our party that the district level, once only an administrative management level, become an administrative, political, economic, social and national defense management level which has its own budget and formulates its own plan and that the district be built as an agro-industrial or fishing-agricultural-industrial district and developed into a military fortress defending the fatherland.

Resolutions of the Party Central Committee and directives of the Council of Ministers have further defined the position and functions of the district level and the specifics involved in building and strengthening the district level in the new situation.

In keeping with these resolutions and on the basis of the characteristics and nature of the districts in the outskirts of Hanoi, the Hanoi Municipal Party Committee and People's Committee guided the districts in formulating their socio-economic master plans. By the end of 1985, the chairman of the municipal people's committee had approved the socio-economic master plans of nine districts and Son Tay City. The two districts of Thanh Tri and Tu Liem, which are in the process of studying their administration organization and setting production guidelines, will complete their plans later.

Together with formulating socio-economic master plans, the Capital Military Region command has decided that it is necessary to carry out the plan for combining the economy with national defense, national defense with the economy within the scope of the district, or what is called national defense planning, under the guideline of taking bold, positive, urgent and steady steps forward. In this planning, anything that supports both the economy and national defense, such as planting trees, building roads, digging water conservancy

ditches and canals, developing the wired radio network, developing the public health network and so forth is performed immediately with a sense of urgency. Jobs that are necessary only to support national defense, support combat operations, such as building fortifications, building combat trenches and so forth, are planned in detail by the military agency in a projects plan, which is approved by the municipal party committee and put into effect when necessary by the standing committee of the municipal people's committee.

National defense planning, which has the aim of carrying out one of the two strategic tasks of the revolution, is not the planning of a specialized sector. The purposes of national defense planning are to continue to promote socialist construction within the district and prepare the locality to effectively deal with a large-scale war of aggression. The immediate objectives are to help to defeat the wide-ranging war of sabotage and the border war of encroachment and occupation being waged by the enemy while maintaining absolute political security and maintaining social order and safety within the capital.

National defense planning establishes the tasks, objectives and guidelines involved in building the national defense system on the district level. At the same time, it clearly defines the national defense requirements of the socio-economic sectors and lays a good foundation for these sectors to combine the economy with national defense in the establishment and implementation of the plans of each sector and each basic unit and to do so in a way that conforms with the planning and plan of the district.

National defense planning must be based on the military mission and the basic combat plan of the district as defined within the military mission and overall combat plan of the military region. Full consideration must also be given to the tasks and requirements involved in building the district politically, economically and socially as defined in the task and plan for building the capital Hanoi, in general.

Planning must be personally guided by the chairman of the district people's committee with the district military agency and office of plans serving as staff. Related sectors must be mobilized to participate under the direct leadership of the standing committee of the district party committee.

The districts in the outskirts of Hanoi have completed their national defense planning. These plans have begun to be approved by the military region. The national defense planning of the districts within the Capital Military Region encompasses the following several matters of major importance:

I. Establishing the Battlefield Position of the Local People's War Within the District

The battlefield position of the local people's war within the district, which is defined as all the people fighting the enemy with the local armed forces being the nucleus in this fight, must be prepared and built before a large-scale war breaks out. This battlefield position consists of villages, enterprises, worksites and state farms fighting alongside bases, base complexes and the defense zones of troop units, thus forming a position from

which we can fight the enemy on a broad front or at selective places and establishing steel belts staunchly defending the capital in every situation. This battlefield position must insure that we maintain firm control and can promptly launch strong attacks on the enemy, even in a situation in which the enemy is moving through the district.

To accomplish this, the Capital Military Region first addressed the need to build a battle position within the people's heart, considering this to be the foundation of the national defense system, of the district military fortress. The people of the capital have a revolutionary tradition. They possess high political awareness and socialist patriotism. They love their birthplace and have a deep hatred of the enemy. They are also very experienced in war. The various party committee echelons and administration levels within the capital consider building a battlefield position within the people's hearts to be one of the fundamental factors of the battlefield position of the local people's war. As a result, they have made specific decisions concerning organizational factors, forms of organization and organizational measures designed to achieve this strength in both building and defending the fatherland.

On the basis of the defense strategy and plan approved by the military region, the districts have coordinated with the economic-technical complexes to organize interconnected combat complexes, each of which consists of 3 to 5 villages, including the hamlets, enterprises, agencies and schools within the area. Complexes on important, key fronts consist of 5 to 7 villages. A leadership and command organization was immediately set up within each complex to guide production and carry out military tasks during normal times and promptly take command of combat operations when warfare breaks out.

The districts must also prepare good plans for fighting enemy forces landing by air, enemy air raids and enemy forces attacking along our flanks; prepare a zone in which forces will remain and fight the enemy behind their lines; prepare key defense zones and combat bases, such as airfields, transportation hubs, industrial complexes and so forth.

Within this battlefield deployment, the districts have established where their rear bases are and adopted plans for building a solid, strong rear area. This rear area is usually located at a place where the terrain is favorable and can consist of 1 or 2 villages in key combat zones. The rear area must be linked to the villages, hamlets, enterprises, worksites and state farms within an organization that forms an integrated combat complex. In view of the fact that the districts in the outskirts of Hanoi are small and densely populated, the rear area of the district must possess the necessary breadth and depth and be strong enough to maintain a strong and continuous fight.

If a large-scale war to defend the fatherland breaks out and reaches Hanoi, the districts in the outskirts of Hanoi will not be able to evacuate their populations. Instead, they must be determined to remain on the land, remain in their villages to fight, support combat and continuously carry out production. However, to hold the loss of life and property to the lowest possible level and protect the life of the people in key areas, near important targets and near large industrial zones along main roads, the districts still

must have plans to send the elderly, youngsters, the sick and persons who do not have a combat or combat support task to areas that are relatively safe. These temporary evacuation sites are also inside the district. Temporary evacuations to adjacent districts will only take place in cases of true necessity.

The deployment of the population and the distribution of labor within the district are closely combined with the organization of local combat forces. The districts of Ba Vi, Soc Son and Me Linh have a number of villages in the mountains and foothills where the population is sparse. As part of their socio-economic master plan and national defense planning, these districts plan to relocate some of the population of their densely populated villages to sparsely populated villages and hamlets. Between now and 1990, Soc Son District can send about 500 families from delta villages to villages in the foothills. Me Linh can send about 250 families to mountainous areas. Ba Vi District can send about 1,000 families to the villages at the foot of Ba Vi Mountain. The other districts can send persons to build new economic zones in other localities to improve their lives and serve national defense needs.

One difficulty in defending Hanoi is that large warehouses, industrial complexes and population centers lie mainly along important roads. In their national defense planning, drawing upon the experience gained in the years spent fighting the air war of destruction waged by the U.S. imperialists, the districts have worked closely with concerned agencies to adopt plans for protecting these places well and outlined plans for dispersing and evacuating the population when war breaks out. There is sufficient basis in practice to propose to the upper level that it is necessary to properly combine the economy with national defense from the very time that construction is being planned, from the time that designs are being drawn up, and that all important projects should include underground stories and tunnels.

On the basis of their basic combat strategy and plan, the districts have designed combat projects and fortifications, planned a system of obstacles, computed the volume of work involved in their construction, formulated plans for making the necessary preparations and drawn up work charts. In 1986, each district is conducting a pilot project in one hamlet within a key complex in order to provide training and gain experience. At present, these efforts are being combined with production and the construction of water conservancy projects, and can be combined with the repair of roads and the planting of trees. In 1986, Thach That, Soc Son, Dong Anh, Me Linh and Gia Lam Districts plan to plant millions of trees of various types on hills and mounds, around villages and along main roads. Recently, these districts planted between 400,000 and 500,000 trees of different kinds. Some districts have also test produced mines, grenades and stakes of all types for use in training. At the same time, they have adopted plans for mass producing weapons on their own when necessary.

II. Building and Developing the Local Political and Armed Forces

To acquire strong local armed forces, it is necessary to rely upon the political awareness of the masses and build basic units that are solid and strong in every respect. Recognizing this fact and through the effort to

reorganize production and strengthen the new production relations, through the performance of political tasks within the locality, the districts of Hanoi have recently made a continuous effort to teach the party and people about the two strategic tasks of the revolution today and the task which the people of the capital must perform for the rest of the country. On this basis, they have heightened the political awareness, the concept of national defense and the sense of revolutionary vigilance of the people of the capital and built their determination and will to fight.

Hanoi considers it important to popularize military education among the people, primarily among youths and the students of the general schools, vocational middle schools, academies and colleges. Students attending vocational middle schools, academies and colleges study under the military program developed by the Ministry of National Defense and Ministry of Education. General school students train and study under programs of education suited to their age group. In the case of basic general school students, efforts are mainly directed toward teaching them about politics and tradition and cultivating their sense of discipline and order. Middle school students, in addition to being educated in politics and tradition, also study military subjects under the prescribed program. When they graduate from middle school, their standards of technical and tactical proficiency are equal to those achieved under the army's program for new soldiers. In 1982, under the guidance of the Ministry of National Defense and Ministry of Education, Hanoi conducted a pilot project at two schools. In 1984-1985, this effort was expanded to 16 schools. In the years ahead, training will be provided at all middle schools in both the city and its outskirts.

In planning the buildup of political forces, the districts have attached foremost importance to building party organizations that are solid, strong and pure. Consideration for recognition as a pure, solid and strong party organization is very closely tied to the performance of military tasks within the locality. The districts have adopted specific policies and resolutions that closely link the annual evaluation of party members to the performance of military tasks and closely link consideration for approval as a "determined to win" unit to the standards of a pure, solid and strong party organization. The party chapter must provide direct leadership and party members must set an example in the performance of military and combat tasks. "The party member must take up arms, the party chapter must go into battle." In 1985, Hanoi sent five militia companies to participate in the construction of combat projects in Vi Xuyen District, Ha Tuyen Province. The districts assigned members of the district party committee to serve as company political officers and members of village party committees to serve as platoon and squad leaders. Each company organized one party chapter consisting of 30 to 45 party members to provide leadership. As a result of close command and leadership, all five of these companies completed their frontline combat support mission well. The militia companies of Soc Son and Thach That Districts were awarded the Military Exploit Order 3rd Class by the state and the other companies were awarded Certificates of Commendation by the Ha Tuyen Front command.

The various party committee echelons have given special attention to strengthening and building militia and self-defense forces. The districts have adopted annual plans on the buildup of these forces from the standpoint

of their size, quality and scale of organization and have planned the buildup of these forces for the period between now and 1990.

As regards the size of militia and self-defense forces, Hanoi's policy is to maintain forces equal to 10 to 12 percent of the population within the district, including 10 to 12 percent of the persons in agriculture, about 50 percent of the persons in industry and roughly 30 percent of the persons in the administrative, business and service sectors. Militia and self-defense troops have been organized into two forces: combat forces and combat support forces. Combat forces represent 40 to 50 percent of the total number of militia and self-defense troops. Combat forces consist of stationary forces, mobile forces and the necessary specialized branches. The districts have organized specialized sections and units that are in the nature of units of the technical branches by relying upon the factories, worksites and schools, such as signal units (within the posts and telecommunications sector), chemical antidote sections (within the research institutes), anti-aircraft artillery, artillery and mortar units (at factories), engineer units (at construction sites)...

As regards the quality of militia and self-defense forces, Hanoi has concentrated on improving the political quality of these forces and their political dependability, on increasing the number of party members, Youth Union members and demobilized and discharged military personnel who join militia and self-defense forces. Following many years of working to make them stronger, the quality of the militia and self-defense forces of the capital has been markedly improved, especially among combat forces.

As regards their scale of organization, the table of organization and equipment of Hanoi's militia and self-defense forces is closely tied to production and administrative organizations, thus making it convenient to lead, manage and command these forces in production, training, combat and combat support operations. Hanoi's policy is to mainly organize companies and battalions, not units that are too large. Mobile platoons or companies have been established in all villages, the nucleus of which are the national defense-security platoons. Every district has prepared a number of companies and battalions and can, depending upon the war situation and needs of the upper level, mobilize from 3 to 5 militia and self-defense companies to strengthen and reinforce the border provinces.

As regards the buildup of local forces, each district has, in accordance with the plan of the military region, put together one complete battalion of local troops. In 1985, a trial mobilization was conducted for inspection and training purposes. Every district has also prepared 1 or 2 additional battalions and the skeleton of a regiment so that local forces can be expanded when necessary.

The buildup of ready reserves and the annual induction of youths have also been put under a plan and proper procedures.

The various levels have given special attention to planning the buildup of the corps of local military cadres. The district military agency closely coordinates with the organization section of the district party committee to

calculate training needs on the basis of requirements and work out a plan for training the cadres of the district military agency and militia and self-defense cadres, both in the immediate future and over the long range, along lines that are specialized. Planning calls for making active use of highly experienced, veteran cadres while boldly training and promoting young cadres, especially military personnel with combat experience who complete their tour of service and return to the locality. The districts have set the following targets for 1990: 100 percent of village, subward and basic unit self-defense commanders must be party members; 80 percent of battalion and company commanders must be party members; and 60 percent of squad and platoon cadres must be party members. In conjunction with restructuring and strengthening the organization, positive steps must be taken to provide on-the-job training and cadres must be sent to the local military affairs school of the military region in order to constantly raise the standards and improve the skills of cadres on all levels.

III. Building the People's Air Defense Battlefield Deployment

If a large-scale war of aggression breaks out, Hanoi will be the target of strategic air attacks by the enemy. The districts in the outskirts of Hanoi also have many important political, economic, military and communications targets on which enemy attacks will be focused. Therefore, the two basic plans that must be prepared well are the combat plan and the people's air defense plan. These are an indispensable element of national defense planning. The districts of Hanoi have begun to complete their people's national defense plan, their efforts being focused on those elements of air defense operations that are most important, such as organizing forces to fire on low flying enemy aircraft and coordinating with the national air defense system to create a dense firepower network that is both selective and widespread so that we can attack the enemy at different ranges, in different directions and at different altitudes and staunchly defend the capital.

With the experience gained in organizing forces to attack low flying enemy aircraft in the resistance against the war of destruction waged by the U.S. imperialists years ago and on the basis of what we judge the plans and capabilities of the Chinese expansionists and hegemonists to be, the districts of Hanoi have continued to strengthen and maintain the air defense artillery forces of militia and self-defense units. Each district has anywhere from 2 to 10 anti-aircraft artillery positions. The forces manning these positions continue to be strengthened and augmented each year, continue to be trained each year to raise their technical and tactical standards and insure that there are 2 to 3 crews for each gun and that weapons are maintained well. In addition to existing anti-aircraft guns, the districts have adopted, on the nature of the targets to be defended and projections on how the situation will develop, plans for organizing and training truly large militia and self-defense forces to fire on low flying aircraft, forces which can be deployed in large numbers when necessary. In addition to their own forces, the villages near national air defense positions have also selected, organized and trained some militia personnel to be ready to augment or take the place of gunners at anti-aircraft artillery positions of main force units. In the fight against

the U.S. imperialists' war of destruction, the militia of Yen Vien Village, Gia Lam District, once took over an entire 57 millimeter gun section of main force troops and fought very well.

The organizing of a passive defense and overcoming the aftereffects of enemy air attacks, which encompass many different jobs, have also been incorporated in planning so that preparations can begin to be made immediately, particularly with regard to organizing the emergency medical care and casualty transportation system, repairing and maintaining the communications-transportation system, applying camouflage and so forth. The districts have worked out specific plans and established a clear division of labor and responsibility. Through maneuvers and inspections, these plans have gradually been augmented and made more complete. Between now and 1990, annual exercises in one part or aspect of the people's passive defense plan will be combined with combat maneuvers and operations maneuvers of the ready reserves.

IV. Security-National Defense

To win victory over the enemy's wide-ranging war of sabotage and maintain political security and social order and safety within the locality, the districts have launched a movement among the masses to maintain the security of the fatherland, build safe basic units and safe zones and eventually build safe districts. This has been combined with population and census management and the accurate classification of undesirable elements so that measures can be taken to educate and re-educate them and in order to be prepared to prosecute them when necessary. Steps have been taken to purify areas, especially villages and basic units near important targets. Combining national defense and security requires planning that is unified from the basic units upward and in each political task performed within the locality. Between now and 1990, the districts are endeavoring to make 100 percent of their basic units safe and eventually achieve safe districts.

V. Building Combat Support Material-Technical Bases

This is a very important element of planning. It is work that must be performed in an urgent but steady, selective manner.

As regards grain and food products, in addition to what they require to meet the needs of the district's people, cadres, manual workers and civil servants and fulfill their obligation to the state, the districts must have sufficient grain and food reserves for the local armed forces in combat and combat support operations. Resolution 08 of the Standing Committee of the Hanoi Municipal Party Committee permits agricultural cooperatives to use 1 to 3 percent of their supply of grain to establish a grain reserve to support national defense needs. In keeping with this resolution, the districts have adopted plans for stockpiling grain and food in three sectors: the household sector, agricultural cooperatives and the district, the targets for which are: a 1 to 2 month reserve supply of grain and food for families and cooperatives and a 2 to 3 month supply for districts. In 1985, the district with the smallest reserves had approximately 500 tons of grain and hundreds of tons of dried food products, consisting of salt, salted fish, sesame and peanuts. The district with the largest reserves had as much as 1,000 tons of grain and 200

to 300 tons of food products. Some districts have assigned plans to their vegetable, fruit and grain corporations to process a number of dried products, such as dried grain, wheat noodles, dried rice, dried vegetables, canned fruit and so forth, to build national defense stockpiles.

As regards signal, post-telecommunication and wired radio needs, it is currently necessary to make full use of existing facilities and equipment of the locality, the municipality and the central level within each district so that the village level can receive guidance and command instructions from the district level. At the same time, plans must be established for organizing and building the posts-telecommunications and wired radio networks in an effort to provide telephone service in 70 to 80 percent of villages and a wired radio loudspeaker to each household by 1990. All districts attach importance to all three types of communications: wired communications, wireless communications and messenger service (each village has at least one messenger squad and each district has either a messenger squad or a messenger platoon). This force annually receives professional training and receives practical training in maneuvers and mobilization exercises as well as in flood and storm control efforts within the locality.

As regards public health services, all villages have a medical aid station. Many villages have 10 to 20 beds at their medical aid station. Every district has 1 general hospital with 100 to 350 beds which regularly serves the civilian population and supports the administration of pre-induction physical examinations. In their planning, the districts have addressed the need to strengthen the village medical aid stations so that they can provide initial treatment and emergency care when necessary and strengthen the hospitals so that they can perform intermediate surgery. The large districts can treat injuries ranging from minor to major. Each district plans to organize two or three mobile emergency units and one or two units to protect against chemical poisons of the enemy. The people will be taught how to treat minor injuries and protect themselves against the enemy's chemical weapons.

As regards communication-transportation support, each district currently has two to three main roads running north to south, three to four main roads running east to west, intervillage and interdistrict roads and various types of rudimentary vehicles and mechanized vehicles in operating condition. The city will continue to rebuild and widen the national highways and main roads leading to the districts in the outskirts of Hanoi. The districts have been and are investing in upgrading and expanding intervillage and interdistrict roads to accommodate all types of mechanized vehicles when war breaks out.

In their planning, the districts have assigned to their communication-transportation offices a plan for organizing forces and have assigned to the villages along national highways and provincial highways the task of having forces and equipment ready to re-establish communications after enemy attacks.

Together with strengthening, upgrading and widening roads, the districts have taken inventory of and adopted plans for mobilizing all types of means of

transportation when necessary. In addition to the means of transportation of state agencies and collective economic organizations, the districts are preparing to build one transport enterprise in each district in the years ahead.

As regards repair services for weapons and means of transportation, the district machine enterprise and the machine stations of the economic-technical complexes are being relied upon to repair the various types of motor vehicles, repair and build new oxcarts and improved vehicles and perform minor repairs on weapons and military equipment. In 1986, the districts are making preparations for the trial production of a number of weapons and spare parts so that they can be produced in mass production when necessary.

As regards warehouse support, for the time being, the districts have set up granaries and food stores within each economic-technical cluster, which are closely linked to the integrated combat clusters, to serve production and everyday needs and be ready to support combat when war breaks out.

VI. Participation by Local Armed Forces in Local Economic Construction

The local armed forces have two tasks: maintaining combat readiness and fighting to defend the locality and participating in local economic construction.

The district military agencies have helped the district party committees and administrations organize and mobilize participation by main force troops stationed within the district in local economic construction; in the building of communication and water conservancy projects; in the planting of trees on hills, mounds and at public places; in the construction of cultural and social projects; and in the production of grain, food products, building materials and export goods. In recent years, main force troop units have contributed millions of mandays to the construction of roads, the dredging of ditches and canals, the construction of pump stations, cultural projects and so forth. All local armed forces have achieved self-sufficiency through production. At the same time, they guide, command and organize militia and self-defense shock forces at labor projects of the district and city. The "militia-self-defense project" and "militia-self-defense day" movements have played a key role in the productive labor of the capital's militia and self-defense forces. These movements have made positive contributions to the implementation of the state plan by the locality. During the 1985-1986 winter-spring season, the militia and self-defense forces of Soc Son District worked hundreds of thousands of mandays, digging and spreading more than 400,000 cubic meters of dirt (Soc Son District performed as much work as it did during the 4 previous years). At present, the movement to have each militia and self-defense troop collect and contribute 5 kilograms of scrap iron to implement the scrap iron collection plan assigned by the municipality to the military region is being launched among militia and self-defense forces.

From the realities of guiding the formulation of national defense planning within the districts of Hanoi, we see:

--It is first of all necessary to give the party committee, the administration and all related sectors a thorough understanding of the position, tasks, objectives, nature and organic relationship between national defense planning

and the socio-economic master plan in the task of building and strengthening the district level. In essence, this entails carrying out the two strategic tasks, building and defending the socialist fatherland, within the scope of the district today. This is not a matter of sector planning, nor is it something that is optional. It is a revolutionary task within the locality. As a result, the district party committee must provide leadership, the chairman of the people's committee must take charge and provide direct guidance and the military staff and district office of plans must serve as the staff.

The persons who directly formulate national defense planning must have a thorough understanding of the two strategic tasks, know the military line of the party, possess the necessary military knowledge, be well versed in the socio-economic master plan and the political, economic, social and military situations of the locality, know the specifics involved in national defense planning and possess a high spirit of political responsibility.

--The district military agency must research, calculate and take it upon itself to set forth the national defense requirements of the various socio-economic sectors so that they can adopt specific norms of their own to meet these requirements and closely combine this effort with the process of building and strengthening the district level.

--The military region must coordinate very closely with and seek the guidance of the municipal party's committee's Committee to Guide the Building of the District Level in order to achieve uniformity in everything from specific requirements to methods and steps to be taken, thus creating favorable conditions for the districts. The Capital Military Region, which conducted a pilot project in national defense planning in Gia Lam District, held a conference to gain experience and guide the other districts. As a result, these districts have made quicker, better progress. In the space of only 3 months, 11 districts and Son Tay City have begun to complete the national defense planning approved by the military region and the municipality's Committee to Guide the Building of the District Level. For all this work, plans have been adopted to carry out a mobilization and shift to a war time footing when necessary.

Although only initial results have been achieved, it is clear that national defense planning has created the conditions for local military work on the district level to be put on a regular basis. Moreover, as a result of national defense planning, military tasks are given much more attention by the various levels and sectors, thus helping to create good conditions for successfully carrying out both strategic revolutionary task of the party within the locality.

FOOTNOTES

1. See article entitled "Quy hoạch quốc phòng trên địa bàn huyện," [National Defense Planning Within the District] by Colonel Nguyen Phu Thuc published in TAP CHI QUAN DOI NHAN DAN No 10-1985.

MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

PHASE ONE OF MILITARY TRAINING SAID GOING WELL

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 11 Jun 86 pp 1, 4

[Article by H.S.: "Many Units of Municipal Armed Forces Properly Carry out Military Training Program"]

[Text] In the last 2 months many units of the municipality's armed forces properly organized phase 1 of the 1986 combat training program.

These units tried to overcome the difficulties in connection with the standard of living and material base so as to concentrate on this key task. This year all units do have a training program that is close to the realities of combat. The military control force, the Rung Sac Group 10, trained its men in the movement of individuals on battlefield and taught its infantry teams and squads how to attack and to be on the defensive. The larger units of precincts and districts adopted the 3-month program of military training. The 4th Precinct organized learning for its force and already covered one-half of the scheduled program. The 8th Precinct, in addition to training the concentrated self-defense force, also has been training its mobile self-defense battalion and reserve unit 1. So far in the organs and enterprises located in the 1st and 3rd Precincts and Phu Nhuan, Tan Binh, and Nha Be Districts, 64 units have organized training of their self-defense units. In addition to basic military training, they have been paying attention to training in communications, engineer, and artillery skills. Recently the Gia Dinh and 11th Precinct group has organized exercises to train troops in carrying heavy burdens and traveling long distances.

However, the self-defense units in a number of organs and enterprises have been slow in developing their training programs. They must concentrate on completing such programs so as to properly prepare for the municipality's military exercises at the end of this month of June.

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MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

SUGGESTIONS FOR IDEOLOGICAL WORK AT BASIC COMBAT UNITS

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Jun 86 pp 28-39

[Article by Lieutenant General Dang Vu Hiep: "Some Matters Concerning Ideological Work at Basic Combat Units Today"]

[Text] Ideological work is a very important aspect of the activities of the party. Ideological work together with organizational work and the close combining of ideological work with organizational work are firm guarantees that the line of the party will become reality and that the party itself will be solid and strong.

At present, the role of ideological work is assuming increasing importance in the struggle in the world between Marxist-Leninist ideology and bourgeois ideology and opportunism; in the arduous, complex and bitter struggle between the two paths of socialism and capitalism to answer the question "who triumphs over whom" in the initial stage of the period of transition in our country; and in the struggle between the new, the progressive and the old, the backward, between the positive and the negative in social life. The political, ideological and psychological attacks of the enemy, their maneuverings and clever tricks on the diplomatic front, the influence of neo-colonialist culture and the influence of the decadent culture and lifestyle of the West, all of which have an impact upon our society, also have a constant impact upon the life of the army.

All these situations raise very large requirements concerning ideological work. Ideological work must be highly dynamic, be timely, be constantly improved from the standpoint of themes, methods and forms and be made more effective in order to maintain and strengthen the position of our ideology and help to increase the army's fighting strength and insure that the army excellently completes each task assigned by the party and state in the new stage of the revolution.

The basic unit is the place that directly carries out the revolutionary line and tasks of the party and the missions of the army. Each directive and order of the upper level is implemented by the basic unit. In basic combat units, especially on the frontline, combat readiness and combat requirements are very high. Life there is constantly tense. Many difficulties and shortages are still encountered in material and spiritual life. The issues of life and

death, of making a contribution or enjoying life...are faced every minute of every hour. In this situation, the thinking of each person and the ideological struggle within each person are always undergoing complex and decisive changes.

Performing good ideological work within basic combat units is the first requirement in and a firm guarantee of building basic units which are strong and solid in every respect, possess high fighting strength and complete their tasks well. Combat is an environment filled with challenges, but it also provides very good conditions for cultivating noble revolutionary qualities in man. Therefore, the purpose of conducting good ideological work within basic combat units is not only to meet the requirements of the task at hand, but also to help train cadres for our army in the next 5 to 10 years, help to mold the new, socialist man.

The tasks and requirements involved in ideological work within basic combat units are very large and very high. At present, however, the themes of the ideological work being performed at these places are not deep and the forms and methods of this work are dry and monotonous. What we face is a need to quickly bring about a strong and steady change in ideological work within basic combat units. In this article, we shall only address a few matters concerning ideological work within the basic unit, primarily with the aim of achieving a uniformity of understanding and views in order to help bring about this change in the years ahead.

First, we must have a clear understanding of the role, position and function of ideological work within the basic unit.

The activities of man are characterized by the fact that they are conscious activities. Therefore, the roles of ideology and ideological work are present wherever and whenever man is engaged in an activity.

Within basic units, there are always many jobs that must be performed on a very urgent basis, and every job is directly performed by large numbers of cadres and soldiers. The quality of each job, from political education, military training, studies, work and the organizing of the material and spiritual lives, the recreation and entertainment of troops to building the sense of organization and discipline, raising the level of combat readiness, strengthening internal relations, building unity between the army and civilians and so forth, is the combined result of many areas of work among which ideological work plays a very important role.

In combat under modern conditions, troops are equipped with increasingly modern weapons and technical equipment. However, this does not mean that the importance of the human factor, of the factor of politics and morale is reduced. To the contrary, to make full use of the properties of modern weapons and technical equipment, it is even more necessary to have persons who possess fighting spirit, possess knowledge and ability, persons who, as Engels said, "have brave hearts and skilled hands."

In basic combat units, operating conditions are usually very difficult and hard and the atmosphere is always tense and charged, especially when face to

face with the enemy. If a person's thinking and politics are not correct, if they are not always steadfast and firm, if he does not hate the enemy and is not prepared to lay down his life for the fatherland, he cannot complete his task.

Ideological work, therefore, is always an effective weapon, an important means in bringing revolutionary enlightenment to the masses, strengthening and enhancing their political views and stand, cultivating their will to fight and cultivating their revolutionary ethics.

Within the basic combat unit, ideological work must cultivate these qualities in cadres and soldiers on the basis of and through the work of completing their unit's specific task. Efforts to complete tasks and efforts to mold new persons must be closely tied to each other. They cannot be separate and distinct. Therefore, the results of efforts to complete tasks and efforts to mold new persons are the measurement of the true effectiveness of ideological work.

Facts show that under similar circumstances, the results achieved through the completion of the political task and from efforts to bring about political-morale changes among cadres and soldiers vary from one unit to the next, sometimes very widely. Of the many reasons for this, consideration must be given to the role of ideological work, to the effectiveness and quality of this work within each unit.

We do not overstate the impact of ideology, do not consider ideology to be the answer to everything, do not view ideology as separate from objective conditions, because, such are the views of idealism and voluntarism. However, we are also opposed to the view that ideology is only a simple reflection of and is totally dependent upon objective conditions, because, such are the views of ordinary, mechanical materialism. Believing fully in dialectical materialism, our party attaches very much importance to the dynamism of ideology and has a very high assessment of the role played by progressive, revolutionary ideology. However, to build upon the role of progressive ideology, to turn ideology into action, ideological work must be closely tied to organizational work and policy work. This is an indispensable principle of ideological work. In practical activities, especially in close range combat with the enemy, we attach very much importance to the political-morale factor and to the factors of technical equipment and organization. At the same time, we must fully concern ourselves with supporting the material and cultural lives of troops and implementing the procedures and policies of the party and state concerning the armed forces and the army's rear area.

As we know, a correct policy that meets the legitimate requirements of the masses and has a very large impact upon the feelings, thinking and confidence of cadres and soldiers encourages them to charge forth with enthusiasm and complete their task. However, policies are not everything, are not the only thing that molds thinking, that cultivates the revolutionary world view, revolutionary will and revolutionary qualities. Countless fellow countrymen and comrades gave their lives to the cause of national liberation and reunification. Countless cadres and soldiers are continuing to make sacrifices, to fight and endure hardships along the border, on the islands and

in the countries of friends for the cause of building and defending the fatherland, for the sake of their glorious international task. No material benefit can compensate for these enormous sacrifices. To these persons, the factor of most decisive significance is their awareness of the ideals and goals of the revolution, their sense of political responsibility to the fatherland and people, to the cause of the party.

Ideological work plays a very large role of cultivating and constantly enhancing the political awareness and revolutionary sentiments of persons and in this way guide their thinking, their actions and their work. The effectiveness with which this is done depends upon the thoroughness with which ideological work is performed. To be thorough, ideological work must be given the proper position in leadership and command operations and must be carried out in a responsive, regular, continuous and planned manner that is well suited to each target audience and each specific set of circumstances of each unit. As circumstances become more arduous and complex, ideological work must be intensified. If we neglect ideological work, if ideological activities are interrupted or ineffective or if ideological work is performed but in an ostentatious and impractical manner, incorrect, bad thinking will inevitable make inroads or re-establish itself and it will be difficult to maintain a solid ideological position for the unit. But it is also incorrect to consider "ideology to be everything" and not combine it with organizational work or to be lax and stand idly by in the face of objective circumstances, both of which lead to ideological work playing less of a role and being less effective.

Secondly, it is necessary to display strong initiative and activism in ideological work, overcome the impact of objective circumstances and help to gradually push back and eventually stop negative phenomena and bring about solid change within the basic unit.

In recent years, in the fight to defend the fatherland, in our international task as well as in the work being done to build the country and build the new life, many collectives and individuals typifying the style and ethics of the new, socialist man have emerged.

Besides these good examples, many negative phenomena, some serious and prolonged, have also emerged in the face of difficulties with the economy and in social life, in the face of the enemy's very malicious and wide-ranging sabotage. These negative phenomena and their adverse influences have affected the life of troops to varying degrees. On the other hand, due to shortcomings and weaknesses of ours in ideological work, in the education and management of troops, in caring for the material and spiritual lives of soldiers and cadres as well as in establishing internal relations and in army rear area work, negative phenomena have been on the increase in more than a few basic units, thus tarnishing the revolutionary character and fine tradition of "Uncle Ho's troops."

In ideological work, as well as our other areas of work, many efforts have been made, many positive measures have been taken to push back and stop negative phenomena. However, the desired results have not been achieved. Although many battalions and some units on the regimental echelon have become

advanced model units and visibly displayed the fine character and tradition of our army, these changes have not, generally speaking, been steady or strong.

"When there are still many negative phenomena in society, it is inevitable that the same situation will exist inside the army, it is hard for it to be otherwise!" Is this not so? The army is a part of society. Every military man has many relationships with his family, locality, society and so forth. Economic, cultural and social achievements and results recorded in the localities and nationwide have a good influence and positive impact upon the thinking of cadres and soldiers. Conversely, economic difficulties, difficulties with living conditions and negative phenomena have also found their way into the army and exerted adverse influences. To deny that adverse influences in society have an impact upon the army is unrealistic. But it is also incorrect to maintain that the existence of negative phenomena in society makes their existence within the army inevitable and unpreventable, or that negative phenomena will only disappear within the army once they no longer exist in society. These are misconceptions that inevitably lead to a passive attitude, to rightism and laxity in ideological work.

As we know, social circumstances control the formation and development of man but man is not merely the passive product of circumstances. Rather, he is a conscious and highly dynamic entity who changes circumstances and stimulates the development of society through production and social struggle.

The army is a part of society, but it is a progressive part of the working class, of the people. The vast majority of our army's cadres and soldiers are persons who possess good political qualities, receive regular political education and live within a collective that is tightly organized, practices strict, self-imposed discipline and is led by a party organization. These are the conditions needed to create the strength for the army to be able to struggle to gradually overcome the negative phenomena within the army itself and actively help to push back and stop the negative phenomena in society.

The realities of many units in recent years prove this. Despite many shortages in their material and spiritual lives, despite the urgency of their operations and despite the enemy's attempts at political, ideological and psychological sabotage, many units have remained politically and ideologically strong and maintained strict discipline. There are unity and consensus among their cadres and soldiers. Their cadres and soldiers love and trust one another. There is close unity between the army and civilians and the unit excellently completes its tasks. Many units are also considered a solid and dependable base of support of the locality in the struggle against negative phenomena in society.

Thus, it can be stated that although the country still faces many difficulties and although negative phenomena in society have not been brought to an end, any unit that fully accepts the education of the party, is under the close and constant leadership of the party organization and the close management of the commanders on the various echelons and knows how to make full and vigorous use of its political-moral and organizational strengths can move forward, can maintain and enhance its fine character and tradition, put a stop to negative phenomena within the unit and develop the role of the revolutionary army in

the struggle against negative phenomena within the unit's area of operation. The issue at hand is the need to conduct good ideological work and combine it with the other areas of work for the purpose of struggling to put an end to negative phenomena. We must skillfully and creatively make use of the different forms and measures of ideological work in a manner that is well suited to each person and each set of circumstances, necessary to take "thousands of different approaches" to have a good impact upon each collective and each person. The work of struggling against negative phenomena is very complicated. We must be patient and objective but also very thorough. It is an indispensable part of molding the new, socialist man. This work, as our party has pointed out, "must be performed in an organized and planned manner on both a society-wide scale and for each individual person. It is work in which we must take many measures in all fields: ideology and organization, education and administration, politics and culture, legislation and the economy..."(1)

Of importance in molding the new socialist man is the need to deeply examine each individual so that each person comes to know himself and is able to evaluate his abilities, strengths and weaknesses compared to the requirements of his task in order to set self-improvement goals and guidelines. This is an approach that enables each individual to mature, to become the master of himself, to give himself the ability to distinguish between right and wrong, adopt good qualities, accept positive factors, cultivate a revolutionary, simple and faithful way of life and struggle against negative phenomena within himself and within the environment in which he lives and works. In conjunction with molding each person, full importance must be attached to molding the collective. Because, only when the collective is strong, when the unit is good does it cause good virtues to blossom within persons and train them to be good persons.

Utilizing the strength of the army's organization and by combining ideological work with the other areas of work, we must and can display dynamism, build units that are strong and solid in every respect, mold exemplary military personnel, actively improve the circumstances around us, push back and stop negative phenomena and bring about strong, steady change in the field of politics and ideology as well as in the other areas of work within each basic unit.

Thirdly, we must firmly adhere to the main objective of ideological work, namely, molding the new, socialist man, and must closely combine the molding of the new man with teaching and motivating persons to complete each task of the unit well.

In the armed forces, ideological work must first support the performance of the political task, with efforts focused on raising the unit's fighting strength, raising its level of combat readiness and winning victory in combat. Supporting the political task must be considered a principle. If ideological work is divorced from the political task, it becomes meaningless and has no practical effect. However, it is also not entirely correct to maintain that the main goal, the only goal of ideological work is the completion of the present task. Our party views ideological work as playing a large role in molding the new, socialist man and considers this to be the basic, long-range

goal of ideological work. However, molding the new man is not something abstract. Rather, it must be achieved through practical efforts to complete the political task established for each period. And, the molding of the new, socialist man must stimulate the performance of the political task. These two matters are closely tied. They have a direct impact upon each other and combine as one. Thus, ideological work must "get jobs done and mold persons," that is, we must mold persons and their thinking so that jobs can be performed and must mold persons through the actual work involved in completing these jobs.

On some specific jobs and among some cadres, due to the lack of a full understanding of the basic goals of ideological work, efforts are only focused on providing education and motivation to build spirit and determination to perform the assigned task, only focused on getting the job done. Little attention is given to cultivating the revolutionary stand, views and ethics of cadres and soldiers. Feeling that it is only necessary to "get the job done," some comrades are lax with regard to shortcomings and negative phenomena within the unit. In planning ideological work, some political staffs and propaganda and training cadres in units only attach importance to the performance of specific, immediate tasks while giving little attention to teaching politics, to cultivating the qualities of the new, socialist man. Facts show that, within these units, the quality with which the political task is performed varies and no solid basis exists for change and progress in the different areas of the unit's operation. Conversely, in more than a few units, ideological work is only viewed as teaching classes in politics, teaching basic subjects, building spirit, will and so forth in a general manner not based on the unit's political task. As a result, ideological work, although actively performed, is still mediocre, lacks real substance and is divorced from life. This, of course, makes it difficult to achieve practical results.

The molding of the new, socialist man within the army must be aimed at insuring that the army fulfills the functions and completes the political task assigned by the party and state. In the basic units, where the persons toward whom this work is directed are mainly youths, efforts must focus on cultivating the spirit of responsibility toward the obligation to defend the fatherland, cultivating the political qualities and revolutionary ethics of military personnel, cultivating the revolutionary way of life and lifestyle, building the sense of organization and discipline and cultivating voluntary compliance with orders and regulations within the army.

Among the urgent matters in ideological work at this point in time, teaching revolutionary qualities and virtues and the revolutionary way of life is of very important significance. These must first be expressed in bravery in combat and enthusiasm and devotion in work; in the sense of organization and discipline; in respecting the laws of the state and the discipline of the army; in loyalty, modesty and a readiness to assist one's comrades and the other members of one's unit; in the spirit of resolute struggle against everything negative and backward from the standpoint of lifestyle; and in the refusal to accept anything that is contrary to revolutionary ethics. These ethical principles have been incorporated in the Military Oath and the orders of the army. Fully and accurately meeting all the requirements of the

Military Oath and the orders of the army is an important standard of political and moral growth of the military man.

To do a good job of molding the new, socialist man within the armed forces, it is necessary to have a thorough understanding of the traits of and the new changes represented by today's new soldiers.

Each year, under the Military Service Law, tens of thousands of youths who meet health and political standards join the army and tens of thousands of military personnel who have fulfilled their obligation are demobilized and return to their locality, enterprise and so forth.

The amount of time spent serving in the army is a short period in the life of a citizen of the Socialist Republic of Vietnam. However, facts show that life within the army is where the process of forming and fortifying the communist world view, of establishing the thinking, the political, intellectual and ethical qualities and the skills of youths is the strongest. Facts show that hundreds of thousands of military personnel who were forged and challenged, who grew in the army, were accepted into the Youth Union or the party and returned to their locality have been and are making a strong impact in the positions they now hold, making a strong impact on all levels and in all sectors.

One reason for the lack of success in ideological work from the standpoint of the education of youths within some basic units is that the command and political cadres of these units do not have a thorough understanding of today's young generation nor do they fully recognize the changes that this generation represents. In particular, they do not truly sympathize with the change in psychology that occurs when youths leave civilian life behind and embark on military life. The themes, forms and methods of ideological work must undergo the necessary changes, beginning within the basic units, in order for this work to be of high quality and produce practical returns.

Compared to the previous generation of youth-soldiers, today's generation is more highly educated. In 1984, 75 percent of the youths who joined the army had a level II or level III education. In 1985, this figure rose to nearly 82 percent. They joined the army with certain traits, characteristics and social qualities that were formed within the family, within the socialist school, within mass organizations... As a result of receiving a revolutionary education, the majority of them are conscious of what they must do for society, conscious of the need to fulfill their obligation to defend the fatherland. They have a desire to learn, quickly respond to the new, have a very strong sense of social equality and human dignity, always want to cultivate their knowledge in all areas, have high cultural and spiritual needs... One shortcoming they have is that they sometimes overevaluate or underevaluate their capabilities and actions. They are often subjective when successful but become discouraged if they run into problems. One important factor to which attention must be given is that youths generally like to take everything to the maximum degree. They set very high requirements of those around them, beginning with their leader or commander. If they respect and admire you, their devotion is wholehearted. If they do not, they are quick to protest and assess you in a onesided, incorrect manner.

Ideological work must keep abreast of these changes among today's youth-soldiers in order to show these changes to command cadres and political cadres so that they can struggle and cultivate for themselves prestige from the standpoint of qualities and ethics, leadership and command skills and experience in educational work and learn how to develop and build upon the strengths and correct the weaknesses of youths so that higher results are achieved in the effort to mold the new man within each unit as well as throughout the army.

Fourthly, we must perform ideological work on the basis of the combined view.

The molding of the new, socialist man, in general, as well as the molding of the new, socialist man within the armed forces, in particular, is, as our party has pointed out, the combined result of the three revolutions and must be carried out in an organized, planned manner for all society and for each individual. Many measures must be taken in the fields of ideology and organization, education and administration, politics and culture, legislation and the economy. Our efforts must be regular, continuous, determined, steadfast...among each age group, within all mass organizations, basic economic and cultural units and social activities, within each sector, on each level, within each unit, ward, hamlet, school and family. This is a process of controlling and having an impact upon all the factors that form the consciousness of man and coordinating the impact of the social environment, of the entire system of education and training with the ability of each person to train himself and learn on his own. This task can only be successfully performed by creatively applying in the practice of ideological work the view on achieving a combined strength.

Achieving a combined strength is a principle in ideological activities. Only by utilizing the assembled, unified strength of all means, branches and forces involved in ideological work for the purpose of making an impact upon the thinking of persons can we achieve success in cultivating the scientific world view, cultivating loyalty to the ideals of the party, cultivating socialist patriotism and proletarian internationalism, cultivating collectivism and the sense of obligation and responsibility of each person with regard to fulfilling their own duties and completing the tasks of the unit.

At basic units, conducting ideological work on the basis of a combined strength demands that command cadres, political cadres and other cadres attach importance to ideological work. It also demands that importance be attached to ideological work in all other areas of work.

There is not one field, not one area in the life of our troops in which ideological work does not play a role. The various components and areas of work of the basic units are linked even more closely and have a direct and strong impact upon one another. To establish a solid political-ideological base in order to complete the tasks of the unit, ideological work must be widespread, must be performed by each force and in all fields. It is necessary to closely combine teaching the lines and policies of the party, teaching obligations and responsibilities, teaching ethics, revolutionary qualities and lifestyle and teaching the character and tradition of the army with teaching and forging discipline and the other areas of education under a

unified plan, under the leadership of the party committee and with the guidance and organization of the unit commander.

Performing ideological work on the basis of the view that this work must be combined with all other areas of work means establishing very close links between political education and military, technical, specialized and other forms of training. It also means closely combining the activities of the corps of cadres, party members and Youth Union members, of the commander and political staff, of rear service and technical cadres with the aim of building a basic unit that is solid and strong in every respect and possesses high fighting strength, a unit that completes the task at hand and molds persons over the long range.

Attention must be given to insuring that the forms of activities employed at each time and place, on each task and under each set of circumstances are well suited to the various categories of persons who participate in these activities, the largest of which is youths. These forms of activity must be closely coordinated with a view toward meeting the requirements set by the party committee and commander, avoiding decentralization, pulling in different directions and so forth. At the same time, every effort must be made to correct the simplistic approach to guiding ideological activities and the inadequate and the old fashioned, monotonous nature of the forms of ideological activities and the measures employed in these activities.

Adhering to the view of combining ideological work with other areas of work when teaching ideology also requires that we make full and skillful use of all the capabilities of society and closely combine capabilities within and outside the army, the capabilities of the unit with those of the administration, mass organizations and locality in which troops are stationed and the capabilities of the unit with those of the families of military personnel.

On the basis of reaching agreement concerning a number of necessary concepts and views regarding ideological work as presented above, efforts must be focused on increasing the effectiveness of ideological work at basic units, thereby making positive contributions in building basic units that are strong and solid and possess high fighting strength.

To begin with, we must improve the program, organization and methods of education and improve the management of ideological activities.

Within basic units, political education takes many forms: studying politics under a basic program or a specialized program; listening to political reports; studying about the party; studying the resolutions of the party; learning through the activities of the party and Youth Union and through administrative, cultural and literary-art activities. In addition, politics and ideology are regularly forged and taught in training activities, combat, work and productive labor. The organization and methods of political education are also diverse: studying within each company, at each time or in each work section; studying during a particular class period or for an entire school session; alternating the study of politics with military training or studying politics in one continuous series of lessons; studying politics

through formal political activities... There is also a wide variety of forms of study for each category of participants: the methods of study established for non-commissioned officers and soldiers differ from those established for officers, the methods of study established for basic level cadres differ from those established for middle level cadres and so forth.

In order for educational efforts to be of high quality, it is necessary to establish a clear division of responsibility. On the basis of the subject matter and program established by the upper echelon and on the basis of tasks, conditions, circumstances and the specific categories of persons being taught, each echelon and unit must guide the subject matter taught and the organization and methods of education accordingly.

In the present situation, due to the difficulties being encountered in distributing books and newspapers as well as difficulties with material bases, it is necessary to make greater use of verbal agitation in the teaching of politics and ideology so that other activities can be conducted. When teaching, it is necessary to relate that which is being taught to practice, to the tasks that troops are performing and necessary to answer pressing questions being raised by life, answer them in a revolutionary-offensive spirit, in order to help everyone evaluate events correctly. Propaganda must be thoroughly prepared so that it is graphic, clear and interesting, reflects adherence to principles and yields practical returns. The various forms of propaganda and motivation must be applied in a flexible manner consistent with the specific situation, with the substance of matters.

The center for mass agitation, culture and education in the battalion is the Ho Chi Minn Room. On the regimental echelon, it is the tradition hall. Plans must be adopted for building and making good use of these facilities. We must research the feasibility of organizing a system of part-time propagandists at basic units, a system consisting of cadres from all sectors and levels, party members and Youth Union members who possess the necessary skills. Procedures must be established for closely managing and guiding the ideological activities of basic units.

Secondly, we must give command cadres and political cadres as well as all members of the party organization a deeper knowledge of the lines, positions and policies of the party and state and provide them with training in how to conduct ideological work.

The quality and effectiveness of propaganda and education depend, to a decisive degree, upon the standards of the persons performing this work. Today, from the standpoint of knowledge, the standards and requirements of cadres and soldiers are quite high. They want to understand and obtain answers to the very profound and complex questions being raised by life. As a result, to perform good propaganda and educational work, it is first of all necessary to attach very much importance to raising the theoretical standards of those persons who perform ideological work and increasing their knowledge of the situation, their profession and their special field.

In addition to cultivating and raising theoretical standards (the fundamentals of Marxism-Leninism, the lines of the party and so forth, attention must be

given to cultivating necessary professional knowledge, cultivating a command of professional theory and experience and cultivating party spirit and a scientific and practical approach in ideological work. The party committee and the political staff of the basic unit must know the qualifications of the corps of cadres and party members well so that plans can be adopted for providing them with thorough and comprehensive planning. The echelon directly above the basic unit must provide specific instructions, conduct close inspections and promptly gain experience in order to constantly raise the overall standards of the corps of cadres, party members and reporters.

Thirdly, systematic research must be conducted on the changes that have taken place among troops so that necessary changes can be made to the forms and methods of ideological work.

In recent years, in our guidance and performance of ideological work, we have not given full or appropriate attention to the changes that have occurred in the corps of soldiers and cadres at basic units. There is a lack of consensus concerning what the strengths and weaknesses of the youths are. We have not clearly established which methods are most effective in the case of youths. The research being conducted is still uncoordinated. Therefore, the returns from political-ideological education are not commensurate with the efforts being expended. The functional agencies on the upper echelons must conduct and guide the heads of basic units in conducting systematic research into the new traits and commonly held attitudes of today's youths and reaching correct, accurate conclusions in order to help improve the quality of the guidance of ideological work at basic units.

All echelons and units in all services and branches must correctly evaluate the youth situation and the status of youth work within their unit in accordance with the guidelines set forth in the resolution of the Political Bureau on the mobilization of youths and achieve a high consensus concerning the evaluation of youths. On this basis, specific themes and measures must be adopted for teaching, training and mobilizing youths so that the forces of youths at each unit are worthy of being the revolutionary shock force in each combat mission, in each task involved in the buildup of the unit and so that the Youth Union plays a strong role in the political organization of youths.

Fourthly, ideological work must be closely tied to organizational work in combat readiness activities, combat operations and the other activities within the basic unit.

Constantly maintaining a high state of combat readiness and winning victory in combat demand a diversity of ideological and organizational activities on the part of command cadres, political cadres, rear service and technical cadres and the organizations of the party and Youth Union.

The level of combat readiness and the ability to win victory in combat are dependent, to a very large degree, on the military standards of cadres and soldiers, standards which can only be achieved through training and combat. Consequently, we must teach cadres, party members and soldiers to study hard, raise their technical and tactical standards, overcome difficulties encountered in military maneuvers, draw experience after each battle, fully

comply with combat readiness duty watch procedures, with regulations and policies on the maintenance of weapons, technical equipment and so forth.

We must conduct good ideological work for trainers and create favorable conditions so that they have the time needed to prepare lesson plans and can study and learn experiences in training, in combat, in the management and command of troops.

On the basis of the results of ideological work conducted during training and during time spent in the maintenance of combat readiness and on the basis of the unit's combat mission and the combat plan of the commander, plans must be adopted for performing ideological work during the stage of preparations for combat, during the combat stage and during the post-combat stage. Depending upon the specific situation, positions and measures must be taken to promptly strengthen and continuously build the will to fight of troops.

Fifthly, we must gradually strengthen the material-technical bases needed for ideological and cultural activities.

Professional equipment is necessary, is indispensable in ideological work, especially in the struggle against the distortions and propaganda lies of the expansionists, the imperialists and the other kinds of reactionaries. All related echelons and sectors must fully concern themselves with this matter and provide a timely supply of material-technical bases needed for ideological work as required by regulations. The masses must be mobilized to display initiative and, through their own efforts, fortify and strengthen existing facilities and provide additional facilities and equipment for propaganda and cultural activities. Everyone must be encouraged to display a high spirit of responsibility, must properly maintain and make the most effective use possible of the equipment now at units.

FOOTNOTES

1. The Political Report at the 4th National Congress of Delegates of the Party, Su That Publishing House, Hanoi, 1977, p 66.

7809

CSO: 4289/792

MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

CRITICISMS RAISED AT 1ST PRECINCT SELF-REVIEW SESSION

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 11 Jun 86 pp 1, 4

[Article by QN-MV: "Self-Review Report of 1st Precinct Public Security CPV Committee and Command Remains Vague, Fails To Single Out Anybody To Blame; Tan Binh Fires Collective Chief, Deputy Chief, and Head Accountant"]

[Text] The public security units of 20 subwards and 13 committees and units of the 1st Precinct contributed many constructive ideas to the precinct's public security CPV committee and command during the recent self-review session. All units shared the opinion that the fact that the precinct's public security command and CPV committee had great leadership capacity and prestige, as they were affirmed in the 1983-1985 term, made them capable of fulfilling the assigned task. Since 1984 the CPV committee and command have repeatedly held learning sessions for cadres and combatants to acquire Uncle Ho's six teachings, with preliminary review, evaluation, comments, and classification accompanying the learning, and for 100 percent of cadres, party members, and youth union members to understand and carry out Decision 76 of the Ministry of Interior banning alcoholism among public security cadres and combatants. They have been keeping track of and leading units toward properly doing specialized and party-related work, strengthening the management of population and household work, and improving leadership and command so as to gradually become totally strong and to effectively carry out the plan for setting up key-subward clusters among the 8th, 10th, 11th, and 18th Precincts.

However, in recent years the role of the 1st Precinct public security command and CPV committee has not been developed to the full extent. A number of cadres and party members failed to act in an exemplary manner and showed declining qualities and morality; the number of cadres and combatants who had violated discipline was twice as large in 1985 as in 1984. Members of the command and committee did not deal with one another in an impartial manner, for as many as five committee members who had shown poor qualities did not receive timely and appropriate treatment.

Critical ideas were raised against the precinct's public security command and CPV committee for their lack of interest in their men's living conditions by subwards, committees, and units, which then suggested an improvement of collective mess halls and an increase of lunch allowances to allow them to do their work better. The fact that price control in connection with vehicles

was ambiguous led to pricing being done twice in favor of some cadres and combatants and this privilege being extended even to some newly-transferred cadres, which caused indignation in many units.

Many units pointed out that the precinct command and committee were unfair in connection with considering recommendations for commendation and promotion of cadres and combatants. The enforcement of disciplinary action against some cadres and combatants who had committed violations still showed indulgence, lack of firmness and fairness, and delays. Some violators whose wrongdoings had made the board of discipline recommend firing were saved by the command which lowered the level of disciplinary action taken against them. In the case of a cadre who had not satisfied the established quality standards, although his unit had recommended dealing with him in a firm manner, the fact that the command wanted only to remind him of his failure and to educate him prevented him from fully knowing his shortcomings and, as a result, led to more violations on his part and eventually his imprisonment.

Other units proposed that the command and committee openly deal with the losses of nearly 1 million dong in production and the disappearance of properties from the rear-service warehouses, and put the blame on and deal with those among their members who were commanding the units in charge of the Investigation, Questioning, and Prison Units and had allowed serious violations of discipline to take place among their cadres and combatants. As for the cases of improper enforcement of discipline having led to complaints, the command, along with the Precinct CPV Committee, must consider them and ask the board of discipline to investigate and resolve them.

The management boards of six agricultural cooperatives, three joint collectives, and six production collectives in Tan Binh District have so far organized self-criticism and criticism meetings with members. In the field of agricultural production, Tan Binh is the district that has done this early because it wanted to consolidate and to improve the quality of the agricultural cooperativization movement.

The management boards of the cooperatives and production collectives in the district have reviewed the task of drafting production and business plans and implementing them, the efforts to promote the collective ownership right of cooperative and collective members, and the qualities and morality of their own cadres.

Following this phase of self-criticisms and criticisms, Tan Binh District has boldly replaced a number of incompetent and morally weak management cadres. It has fired a collective chief and two deputy chiefs in Collective 1 (Subward 16) and has ordered the public security force to take the head accountant of Collective 2 (Subward 16) into custody and to deal with him accordingly because he took money from the collective fund. It has plans for the training of 150 management and specialized-assignment cadres to reinforce its production collectives and cooperatives.

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CSO: 4209/726

MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

WORKERS DENOUNCE WRONGDOINGS AT FISHING ENTERPRISE

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 12 Jun 86 pp 1, 3

[Article by Dinh Chi: "Letters of Denunciation From Workers: Major Cases of Negative Acts at Fishing Enterprise, Subordinate to the Municipality's Marine Products Service"]

[Text] Since the day their first letter was sent away to denounce the negative acts that had taken place at the Municipal Fishing State Enterprise (MFSE) (which is subordinate to the Municipal Marine Products Service), many workers here have patiently maintained for more than 2 years the struggle against corruption and for protection of state properties. Here are a few major cases of such acts as revealed by the workers there.

Stealing 60 Steel Pontoons

In June 1978, the Sea Transportation Management Corporation 3 made the minutes of the transfer to the Marine Products Service of the use of pontoons in the form of a leasing arrangement, with the MFSE being the direct user.

Although it knew that the above-mentioned pontoons were owned by the friendly unit, in 1983 the MFSE deliberately made a secret deal with private people for the disassembly and selling of all of these pontoons. The late Phan Thanh Dong, the then director of the enterprise, assigned Nguyen Van Thoi, head of its Technical Office, to draft the agreement and to direct the disassembling task. That was a big "business" opportunity for Thoi. Instead of signing a contract for the disassembly with the manual work site of Tan Binh District, he deliberately misused the authority vested in him by giving the entire job to Thi Loan, a bad element in society. In the contract signed with Loan, the enterprise only gave her the task of disassembling the pontoons and at the completion of the work, if there were badly damaged ones, she could buy these damaged pontoons. However, with Thoi's support, she was trying to sell all 60 pontoons that had been disassembled. The first time she was able to sell 24 of them (on 2 July 1983) (Footnote) (All money figures in this article are in the old currency unit) and got 70,000 dong; the second time she sold 36 also to Nguyen Van Nam, who did not work for any state organ. Thi Loan also took advantage of the pontoon disassembly contract to set up business relations in favor of selling these pontoons with a state farm in a friendly province and

with a number of individuals, earning hundreds of thousands of dong. She gave to Thoi a sum of 25,000 dong.

Not until 5 weeks after Thi Loan had sold the first 24 pontoons did Director Dong send an official document to the Sea Transportation Management Corporation 3 to request that his enterprise be allowed to write off the pontoons. And although the corporation replied to the effect that "If you have already dsassembled them, we suggest that you send us an official letter and return to us all materials and equipment that belong to the pontoons," the enterprise intentionally remained silent, for it had already returned them to...Thi Loan.

Good Boat Becoming One To Be Discarded

In 1981 the 5th Precinct Public Security Office drew up the minutes of the transfer to CHOLIMEX Corporation (in the 5th Precinct) of a boat, LA.1952, which had been confiscated from a group of people trying without success to flee the country. The boat was 24 meters long, had a capacity of 200 tons, and was equipped with a 350-HP Caterpillar motor. The minutes clearly said, "The boat is in good working conditions." At the end of 1982, CHOLIMEX signed a contract with MFSE for the repair of the boat to turn it into a fishing boat within a period of 2 months and a half (from 4 November 1982 to 20 January 1983). The LA.1952 repair contract also was signed by Phan Thanh Dong representing the boat-repairing party and by Nguyen Van Thoi, who was to direct the project himself.

From November 1982 to January 1983, Thoi himself went to CHOLIMEX 5 times to receive raw materials and money totaling 713,280 dong, including 3 times to get cash (totaling 313,280 dong). Taking advantage of loopholes in the enterprise's management, the "trust" of the unit chief, and his very broad authority, Thoi kept the cash--the entire sum of 313,280 dong--for himself under the pretext of buying materials and spending for the repair of the boat. He thus had recourse to acts of deceit. For instance, he assigned Tam A the task of illegally getting wheel drums at the price of 4,000 dong, which he increased in his report to 12,000 dong, and bought a gear box at the price of 6,000 dong and reported it as costing 25,000 dong. In addition to "legitimate" expenses for the repair of the boat, Thoi also took 22,000 dong from the public fund to spend for repair of...the Honda of Do Van Duc, the MFSE head accountant.

After 3 years of being "actively" repaired, the trouble-ridden boat LA.1952, which was working fine, by now has been said to become unusable both on the sea and on river and to be discarded or written off. In the meantime, its 350-HP Caterpillar motor had been disassembled and brought ashore to be...installed in an...ice-making system of the enterprise before 4 November 1982, the day the contract for repair of the boat was signed.

Through what happened in the beginning we can affirm that the money involved in this act of corruption amounted to hundreds of thousands of dong and that, in addition to the share he took for himself, Thoi should have been "kind" to other people who were involved in it by letting them share in this big business deal.

Work Repeated Four Times for Boat 17

Boat 17 was one of the new boats built by the Dong Tien Boat-Building Enterprise (also subordinate to the Marine Products Service) and equipped with 135-HP motors. However, since the boat was not fully completed as it left the shipyard here, it was not able to go to sea for fishing and therefore was given to the service's other enterprises for further furbishing. From the day the boat was handed over by the Dong Tien Enterprise to the MFSE (8 March 1983) to the day the occurrences were revealed it went through four different units for repairs, furbishing, and alterations--Dong Tien, Danh Ca, Dai Thang, and the machine shop of the MFSE. One of these units "enthusiastically" repeated the work that had been done by another before it, did little work but asked for excessive payment, and ignored the fact that the boat had been handed over to its user and hence there would be no need to use any materials, to do any work on it. In Minutes No 496 in December 1982 made by the Dong Tien Enterprise (which handed over the boat) and the MFSE (which accepted the boat), it was stated that the main part of the engine had been properly fixed. But the contract between the project management board (of the MFSE) and the MFSE on 10 August 1983 also contained a provision about the work to be done for this part of the engine, and as a result of it there was an additional expense of 100,000 dong. The transfer minutes also said that "the pipe system was in good conditions," but later the enterprise redid it and asked for another 40,000 dong. Or in the case of Dai Thang Enterprise, as it did work on Boat 17, it asked for payment for an anchor costing 5,785 dong and a winch for use with the anchor costing 17,216 dong (both items were sold by the MFSE to Dai Thang Enterprise). Then when the enterprise's turn came, it included in its work the installation of 2 more anchors at the price of 11,570 dong, labor charge of 4,020 dong, and the installation of another winch at the price of 17,216 dong. So according to documents, Boat 17 was equipped with 3 anchors and 2 winch assemblies. As he accepted the boat, Captain Nguyen Van Mong found that the boat had only two anchors and one winch. This wrongdoing alone put into the bad elements' pockets 26,021 dong.

During the time the boat was sent from one place to another, the boat bearing the number 17 and being built anew was...sunk three times, and as a result the overall list of expenses included 3,000 dong of labor charge in connection with maintenance work following its sinking. The total value of Boat 17 after the four rounds of work was raised to 1,900,456 dong. And so hundreds of thousands of dong of state properties found their way into the pockets of bad elements. The persons being mainly responsible for that happening were Tran Luong, deputy chief of the project management board, and Do Minh Loan, head accountant of the enterprise.

Other Negative Acts

In addition to the three above-mentioned cases, other negative acts also took place in the enterprise, including the following:

- Taking advantage of his position as head of the technical office and his familiarity with boat engines, Nguyen Van Thoi used dishonest maneuvers and turned the enterprise's Cumine motor into one that performed poorly, for he deliberately wanted to reduce its value as a scheme for selling it to Nguyen

Van Con, owner of the boat Nghia Thanh, and getting the difference of 23,000 dong for himself (Huynh Van Mai, the then deputy director of the Marine Products Service and director of the MFSE, signed the approval document). In the case of the 2 motors of the boats Chien Thang 15 and 16, the first time the sale was trouble-free, with Thoi and Hai accepting bribes of 30,000 dong; the second time after the sale Thoi tried to make false papers to bypass his superiors and to exchange the motors and gear box, which let him pocket 40,000 dong. The cases of Nguyen Van Thoi and Dang Van Hai colluding with each other three times to sell at cheap prices many pieces of machinery and materials belonging to the enterprise to Van Thanh Si, a professional private dealer, all resulted from Thoi's suggestions and the approval of Director Huynh Van Mai (the first two times) and Deputy Director Phan Thanh Dong (the third time), with the amount of cash involved totaling 153,600 dong.

- From 1 January 1983 to 20 April 1984, the MFSE bought 11,557.05 kilograms of nylon nets of all sizes, but instead of using them it sold them (by direct delivery without putting them first in the enterprise's warehouse) to the Fresh and Raw Foods Unit of the 6th Precinct to get a differential profit of 2,497,591.80 dong. From this 6th Precinct unit nets were brought into the free market through letters of recommendation of 4 units in the 11th Precinct, the marketing cooperatives of Subwards 1, 15, and 21, and the Social and Wounded Soldiers Affairs Office, issued to private people.

- Verification of use of fuels: In 3 years, from 1982 to 1984, the figures showing the consumption of oil as the enterprise reported them to its superior echelons were 28,548 liters less than its actual consumption. This quantity of oil was not included in the final balance.

- The balance as the enterprise reported to show the state of losses and profits in the 3-year period of 1982-1984 was very unclear in terms of the discrepancies between the portion of profits resulting from production and that resulting from the sales of materials and writing off of properties. Meanwhile, the enterprise was being given continued compensation of losses amounting to more than 10 million dong by the Finance Service. It was predicted that the share to be put into the budget would be 7,598,614 dong.

The negative acts that had been taking place in the MFSE were very serious, for these systematic violations lasted for several consecutive years. Although the honest workers and cadres here had revealed and denounced them, they did not draw the attention of the leadership echelons here, from the enterprise to the Marine Products Service, who instead reported to the Standing Committee of the Municipal CPV Committee and the Marine Products Service as follows: "Nothing as serious as the masses' letters of denunciation have shown." That made many people wonder whether there had been a cover-up provided by the people in high positions. As that situation continued, violations became more numerous and reached a very serious level, with production continuing to decline and failing to reach its goals set for the 3 years of 1982, 1983, and 1984, and losses increasing every year. That gave rise to other violations including the following: buying shrimp and fish from other units and including them in the official catch, writing off fixed assets to compensate for losses, and selling even imported nets and fishing tools to earn profit in order to compensate for losses. Those rather basic

wrongdoings and violations gave rise to additional negative acts not only in the enterprise but also outside of it. What deserved attention was the fact that those cadres who had committed systematic wrongdoings still enjoyed the trust of the leadership echelons here, as in the case of Nguyen Van Thoi. Another important fact was that the party's leadership role was affected and the role of trade unions and the Youth Union was hampered. As to the director's work, there were mistakes he made that other cadres did not know, or if they knew, they failed to fight them, or they fought them only halfheartedly.

In the face of the systematic and serious negative acts committed in the MFSE and with the help of good workers and cadres, the State Inspection Commission in the municipality has been actively investigating and studying them and recommending appropriate measures to deal with them. The public opinion hopes that the responsible organs deal in a timely and firm manner with the backward and corrupt elements who have seriously violated state the properties in this enterprise.

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CSO: 4209/726

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

CONSTRUCTION FIRM SEES EARLY RESULTS IN CRITICISM DRIVE

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Jul 86 pp 1, 4

[Article by To Thuy Anh: "Preliminary Results of Self-Criticism, Criticism Drive in Wire and Station Installation Corporation 2"]

[Text] Wire and Station Installation Corporation 2, of the Ministry of Electric Power, is conducting a self-criticism and criticism drive from top to bottom. The party committee and management board of the corporation here realize that if upper echelons are not truly proactive and exemplary in their review and self-criticism and criticism, the unfolding of this effort at lower echelons will also be without results.

The first drive (6 days) concentrated on providing opinions on the two reports of the collective executive committee of the party organization and the management committee and 10 individual critique sheets of the members of those two committees. After that, the party organization met with 50 non-party cadres and workers who form the nucleus of the corporation (among the 130 representatives) to study the critique sheets and provide supplementary opinions. The representatives formed into discussion groups and provided about 180 opinions, which seem at first inspection to be very straightforward, positive, and constructive.

After the conferences of the executive committee of the corporation's labor union (expanded) and the executive committee of the Ho Chi Minh Youth Union (expanded), party cells and unit, office, and committee organizations held a self-criticism and criticism drive.

Generally, the criticism and self-criticism struggle in the corporation generated a new vitality. The collective of cadres, workers, and government employees of Wire and Station Installation Corporation 2 was able to affirm basic accomplishments, in keeping with their tradition of pointing out the causes of success. In addition, the personnel also boldly and directly pointed out shortcomings and failures that have to be corrected: lax management, with many economic and technical loopholes that lead to fraud, theft of supplies, raw materials, and fuel and reduce the quality of construction.

Participants sternly criticized such efforts as the large, poor-quality projects to lay 110 KV lines between Can Tho and Soc Trang and between Vinh Long and Tra Vinh, which cost millions of dong in state funds, require a great technical effort lasting 6 months, and have had an adverse influence on the transmission of electricity for activities and production in the above localities. Participants further stated that even the 230 KV line between Thu Duc and Vung Tau have sections of inferior wire, and the construction work on towers is not guaranteed, so that towers collapse and lines to break. Some installations, due to very poor technical and material management, failed to meet quality standards in centrifugal casting of towers, and there are places where 50 tons of cement, tens of thousands of liters of gasoline, and hundreds of cubic meters of sand have been stolen. Many units have reported false volumes, skimmed on materials, and created cost imbalances in order to steal money from the state. There was a serious case in which cadres and personnel conspired with personnel of the Gas and Oil Corporation to steal issue gas and oil of the corporation to sell it on the outside.

In the area of leadership, the collective of cadres and workers pointed out instances of rightist deviation, bureaucratism, sectarianism, saving face, destruction and squabbling, individualism, taking personal advantages (in the selection of persons to come in to work), and not strictly adhering to systems and regulations of the state for dealing with serious violations of policies on housing, finances, and food.

In the course of conducting the drive, cadres, party members, and the masses aggressively criticized the above mistakes and shortcomings and requested that the leadership committee of the corporation provide appropriate punishment for all violations and ensure that all disciplinary cases on hand are brought to trial and that the situation does not exist in which persons are forced to reimburse the agency for property, yet 2 years pass without repayment. Participants also motioned that control be increased over all aspects of quality, regulations, and standards, that there be clearcut punishments, and that economic and technical norms and standards be verified.

The leadership committee promised that it would increase economic, financial, material, and labor discipline management, investigate carefully and review all the instances that the masses had uncovered, respond clearly and directly to all questions of the masses, clearly resolve the things which the representatives of the masses sought to understand, and accept their suggestions and take measures for immediate correction in order to change their working style. The preliminary results of this political activity were clearly good, creating new gusts of wind that are democratic and constructive.

9830

CSO: 4209/776

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

READERS' REQUESTS REGARDING CRITICISM DRIVE PRESENTED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Jul 86 pp 1, 4

[Text] Of all the letters received in April and May 1986 by SAIGON GIAI PHONG from readers providing suggestions to the Party Congress, not counting those letters reflecting the qualities and virtues of specific cadres and party members, 18.5 percent concentrated heavily on the self-criticism and criticism drive.

Three topics that received concentrated coverage were:

- spirit and attitude in self-criticism and criticism
- form of conducting self-criticism and criticism
- self-criticism and criticism tied to dealing with shortcomings and cadre organization work.

Spirit, Attitude in Self-criticism, Criticism

In reference to the spirit and attitudes needed for self-criticism and criticism, the subject mentioned most often by readers was the attitude of speaking directly and speaking truthfully, concretely, and by name.

Reader Tran Thanh Tu, of Bac Lieu City, Minh Hai Province, wrote, "Over the recent past, cadres and party members who held position and power were very fearful of self-criticism and criticism, only wanting people to flatter and praise them and creating positions for flatterers." Reader Huynh Trong Khang, of 18/80 Dinh Bo Linh Street, Binh Thanh Ward, provided the explanation, "the tongue likes pungency, salt, and pepper, but the ear likes praise and flattery."

For this reason, many readers expressed the opinion: "Attitude toward self-criticism and criticism is the yardstick for measuring the honesty and level of awareness of party members. Deviousness, deception, and ambiguity belie oneself, belie the party, belie people. And that is not appropriate in the ranks of the party." (Tran Van Duy, Subward 11, Ward 3) Other readers, such as Phan Thanh Hai (Fatherland Front Committee, Subward 2, Phu Nhuan Ward) and Nguyen Van Tue (Subward 17, Ward 3) stated, "Speaking the truth clearly does not lessen the prestige of the party"; on the contrary, "only honesty,

straightforwardness can win the sympathy and confidence of the people, however complicated the situation. Every error is then correctable."

Many letters also mentioned public criticism.

Reader Thu Thuy (112 Nghe Tinh Soviet Street) wrote, "In a situation of reduced economic activity, when money declines in value, the trust of the masses and of the working people declines. To regain trust requires practical actions, direct talk, telling the truth, and readiness to admit and correct errors and shortcomings from the top down, and the press must also dare to openly criticize shortcomings and communicate the truth."

A sense of responsibility in criticism and self-criticism was also mentioned by many readers as a condition for "words being in concert with deeds." "In the management and leadership system, it has always been the case that specific responsibilities are usually not clearly delineated, causing a situation of 'collective shifting of blame.'" (Nguyen Thu, Subward 9, Ward 10) "They blame the state, circumstances, and objective conditions." (Le Hai Chi, Subward 7, Ward 5) Many readers requested that cadres at all levels heighten their sense of responsibility and see their responsibilities clearly.

Finally, in connection with attitude in self-criticism and criticism, some readers wished to remind us about the "constructive" motive "for the common good" to guard against opportunists taking advantage of this occasion ("muddy water fattens the crane!", "making more accomplishments," (Hoai Thanh, Subward 10, Phu Nhuan, and Nam Anh, Subward 16, Ward 8) "using the signboard of self-criticism and criticism to carry out selfish individual plans, or using the signboard of internal unity through many forms of fine sentiments to evade crimes and cancel out mistakes." (Tran Phung, 220/16 Tran Hung Dao B Street) Watch out for "giving up the axle and keeping the cart" in self-criticism and criticism.

Form of Conducting Self-criticism, Criticism

This is the subject on which suggestions were made by more letters than any other: 60.9 percent. Here, the opinions of readers not only wanted to address techniques of conducting self-criticism and criticism, but actually wanted to reveal viewpoints and principles to be followed in self-criticism and criticism.

Regarding the form in which self-criticism and criticism drives are conducted, about 25 percent of the letters suggested that self-criticism and criticism be conducted from the top down. On that basis, many letters stressed good leadership for basic-level units to practice strict criticism, because this is the level with a direct relationship with the people.

We must listen carefully to the masses and make every effort to obtain suggestions from the masses: this was another aspect mentioned by many readers.

"Criticism from the masses must be welcomed and encouraged." (Nguyen Van Tinh, Factory 2.756) Yet, "it is truly hard to say that the masses participate in

the criticism of cadres and party members when self-criticism and criticism are not stressed within the party." (Phan Dang Tho) "Democracy must be practiced internally, and not in a pattern of superiors speaking and subordinates listening, with the subordinate required to agree when he does speak." (Pham Van Chieu, 476 Nghe Tinh Soviet)

Reader Ha Xuan Tu (105 Pho Duc Chinh, Binh Thanh Ward) reiterated a few ideas that had been published in the papers (it is unclear which papers): criticism must not be used to slander cadres and destroy leadership; watch out for hostile destruction; without accuracy, without specifics, and without correctness, one must not criticize. And this reader continues: with this in mind, who can criticize? "Every criticism must be welcomed and encouraged, whoever the object, whoever the source, whether right or wrong. That is the source of the party's strength. The above limitations must therefore be razed to the ground."

As to the method of obtaining the suggestions of the masses, readers proposed the following forms:

- setting up suggestion boxes
- investigating and exploring suggestions of the people via questionnaires
- face-to-face meetings with the people
- attentativeness to the opinions of the masses through mass organizations and neighborhood cells
- soliciting votes of confidence in party members or directors and assistant directors.

Finally, readers requested a greater increase in the suggestions of the masses in the paper and on the radio. "The 'Letters of Opinion for the Party Congress' column is very valuable; the editors should not only accept them, but should set up an element to specialize in following up and verifying matters in the paper, encouraging many citizens to participate in party building." (Le Anh Tuan, public security officer in Binh Chanh District)

What is necessary is to overcome formalism and negligence, which have long been associated with self-criticism and criticism drives. "Carrying through from beginning to end" must be practiced (Le Phuoc Loc, 3 Binh Thanh), "strongly, regularly, and thoroughly." (Vu Hong Son, Saigon Harbor) A reader considered this a "revolution in the internal activities of the party, a revolution in ideology, style, and virtue." (Le Hoang Hung, Subward 20, Ward 3) Many readers expressed the opinion that self-criticism and criticism drives should be scheduled annually, with guidance planning and firmly fixed methods, avoiding general, sketchy criticism, countering negligence, formalism, and saving face, and seeing that there is substance rather than form and that things are not done half way ("throwing away the chopstick after beating the drum") or that the peace is not used for misbehavior," and "thanks are not expressed to one's face while grievances are harbored internally." (Tran Tien Thu, of the Go Vap People's Committee; Phan Duong, of the School of Law; Nguyen Bang, Ward 1; Dao Van Giai, Subward 12, Binh Thanh Ward, etc.)

A matter also mentioned relatively often was that of how to protect the person criticizing (with 14 percent of the letters mentioning it)

when they criticize "negative forces and are subjected to attacks and revenge," (letter 36) "suffering retaliation, mobilization, and transfer to other places by the negative elements for opposing negative elements." (Letter 1247) Some readers suggested that the following were forms of control to ensure quality in the self-criticism and criticism drive:

--formation of control committees from the central echelon out to localities in the self-criticism and criticism drive (Ly Chi Cong, Can Tho City, Hau Giang Province).

--use of appropriate support elements for the various levels of party guidance committees, which are the Fatherland Front and retired cadres. (Nguyen Van Ngo, Subward 11, Ward 3)

--the municipal committee must provide tight control (Vu Ngoc, Subward 13, Phu Nhuan), having locations that do things wrong do them over again. (Le Cong Hoang, Cai Be District, Tien Giang Province)

Self-criticism and Criticism Tied to Correction of Shortcomings, Cadre, Organization Work

Fifty percent of the letters mentioned this matter, with 44.2 percent of them mentioning the need for dealing with and solving problems of establishing self-criticism and criticism and 12.3 percent discussing cadre work organization work.

The principle of tying Self-Criticism and criticism with punishment and resolution and correction is the principle supported by most readers.

This self-criticism and criticism drive is not only an individual political and ideological activity, but it leads to a powerful new and decisive change in the Party Congress at all levels. It was as if every letter stressed this goal of the self-criticism and criticism drive.

A hot issue in many readers' letters of suggestion was the matter of general shortcomings in the ranks of cadres and party members in quality and virtue as well as in the implementation of socioeconomic policies over the recent past.

"What the masses hope for is that the law will firmly oppose behavior contrary to party discipline. The self-criticism and criticism drive should lead toward resolution of prolonged issues, which have had adverse influence on life, democratic rights, and organization and discipline." (Le Cong Trung, Subward 12, Ward 8) "Cadres who have been exposed by the masses for error should be severely punished; do not permit the trust of the masses to be lost." (Phan Dang Tho) So far, "the people have not been pleased with the handling of good deeds and wrongdoing." (Nguyen Chi Thanh, Subward 21, Ward 5) And if degenerate, deviant, opportunistic cadres are not disciplined, "the masses will decide that (self-criticism and criticism) amount only to a temporary, white-wash policy, and a psychology of confusion and fear will ensue." (Tran Phung)

"Shortcomings must be corrected immediately, before the Party Congress." (Tran May, of the Border Defense Forces) "Bad cadres, whatever their position, must be expelled from the party; the good of a few men must not be placed above that of society." (Thanh Nam, of Nguyen Thi Minh Khai School)

Readers also had some specific suggestions:

--"The time has come for party committee echelons to relinquish the abuse of influence." (Dao Cong, of the Fuel Transport Corporation)

--Persons who retaliate against criticism should not only "incur adverse consequences" (the wording in a social column in the 18 March 1986 issue of NHAN DAN), but must be sternly punished or expelled from the party (as stated in the Regulations of the Soviet Communist Party). (Tran Van Duy, Subward 11, Ward 3)

--The Municipal Internal Affairs Committee should announce to the people outcomes in handling shortcomings among cadres and party members via traditional mass media. (Duong Van Dieu, Subward 11, Ward 3)

--The awards drive board must see that "flowers bloom from true, not false, accomplishments."

--Self-criticism and criticism should lead toward classification of party members.

--In addition to columns in the paper for making suggestions to the party, there should also be columns that gather opinions of the people on individuals and collectives who do good jobs and correct shortcomings. (Le Phu Loc, Subward 3, Binh Thanh Ward)

--The task of inspecting the party, workers, and mass organizations must be promoted. (Nguyen Ngoc Anh, of the Water Supply and Removal Corporation No 2)

Considering the terminology, nearly all letters requesting that shortcomings be dealt with used such words as "harsh," "strict," "urgent," "immediate," "critical," "swift," "timely," and "must," and "should."

Renovation of structure and organizational machinery was mentioned in 12.3 percent of the letters. The majority spoke about the need for renovating the management system, improving the organizational machinery, and renovating human affairs as an important requirement to which all levels must pay heed. Self-criticism and criticism must also lead toward this renovation.

"Self-criticism and criticism must lead toward the selection of a structure of cadres and party members with the ethics and talent to be elected to leadership positions at all levels and prepare well for the upcoming Party Congress." (Nguyen Hoang, 382/36 Dien Bien Phu Street)

"State machinery must be rearranged and reorganized, from the central echelon out to localities, before the Party Congress; this must not be delayed any further." (Nguyen Van Chung, of the Southern Rubber Industry Corporation)

In addition to opinions directly related to self-criticism and criticism, readers explained their attitudes toward the self-criticism and criticism drive: 74 percent of the opinions expressed varying degrees of enthusiasm, hope, and confidence in the self-criticism and criticism drive. Twenty-six percent of the opinions endorsed holding the self-criticism and criticism drive, but brought up many difficulties and obstacles involved and caution, fear, and uncertainty as to whether results will match up to expectations.

Finally, letters from readers proposed that the following sectors should emphasize good self-criticism and criticism:

- land
- commerce
- import/export
- banking and finance
- public security
- taxation
- long-haul transportation
- customs
- posts
- colleges
- ministries and commissions of the central echelon

9830

CSO: 4209/776

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

MEDICAL COLLEGE VICE PRESIDENT DENOUNCED FOR CORRUPTION

Hanoi LAO DONG in Vietnamese 17 Jul 86 p 2

[Article by (Hu Thi Minh Chau, Hanoi Medical College: "Contribute Ideas to CPV Committee of Hanoi Medical College Chapter")]

[Text] In the past 20 years, as an accountant I have strived to avoid being involved in corruption--an effort in which I continue to take pride in because nobody has ever accused me of that vice. However, during such a long period, I have experienced shortcomings and violations for which I have felt deeply sorry. But what did those in the saddle do when they were in the wrong? That question has got on my nerves inasmuch as Mr Hoang Huu Doc, vice president of the Hanoi Medical College, my immediate chief, has been able to perpetrate wrongs without having to worry about his job. Let me mention some of his misdeeds to demonstrate that he truly is neither a clean party member nor a leading cadre always devoted to student life.

By the end of 1931 and beginning of 1982, while going south to receive quota goods, Mr Doc brought with him more than 1 ton of gasoline (3 tons, according to other sources) for use to haul merchandise to the north. But because of price differentials, he ordered his subordinates to sell that gasoline on the free market, pocketed the profit, and shipped goods to Hanoi by train.

In 1983, Mr Doc ordered the purchase of three carloads of fish sauce of substandard quality for subsequent resale on the market. By a "sleight of hand," he repackaged the fish sauce and shipped it to the mountain provinces to exchange it for local goods. There were no guarantees that the fish sauce met food sanitation criteria and would cause no disease in consumers. That the fish sauce sale was conducted by a medical doctor, concurrently vice president of a medical school, has put to shame the white-blouse personnel of the health sector.

In 1984, Mr Doc opened an illegal soap factory. Acting as a college vice president, he went south to "buy up" a rather huge quantity of coconut oil for use in the production of plastic bandages and soap. But both products were unsuccessful as soon as they turned up. The remaining stock of coconut oil was sold to many places and people at various prices and outside the control of financial officials.

In March 1985, Mr Doc sent 15 tons of cement, which he had managed to take from a military unit, to Qui Nhon to exchange for dry fish on an one-to-one basis. Mr Doc shipped the fish to Hanoi and sold a small amount only to internal consumers and the rest (about 8 tons) to private merchants for a profit--a transaction which he was compelled later to stop in the face of public protest.

Recently, the college has received valuable foreign currency from a foreign assistance program for organizing classes and seminars. In principle, to use that foreign currency the school must, in addition to complying with banking procedures, file a written request with the Ministry of Public Health; nevertheless, Mr Doc notified it "only verbally" before using part of the allocation to purchase 6 "Cub" motorcycles and 20 cassette recorders which he intended to "auction off" at the school. Nearly all those who buy motorcycles and cassette recorders are well-off people living beyond the bounds of society. Fortunately, Mr Doc's attempt was stopped immediately when the minister's office "got wind" of it.

Why was a CPV committee echelon and key cadre of a major college involved in such a lifestyle and business? However, what startled me is that since 1982, despite all these things and other misdeeds waiting to be disclosed, Mr Doc's job as college vice president has continually been as firm as a rock and his curriculum vitae white as snow. I have heard that during the criticism campaign launched in keeping with Directive No 79, nobody called Mr Doc, my unit chief, to account. Is it true that "small-time" nonparty people are doomed to be "skinned alive" even for a small offense unless they "throw in the towel"? People are unwilling to denounce Mr Doc as well as high-ranking officials because the party chapter secretary and other cadres are his pals--a few of whom may have sympathized with him and have "taken him under their wings."

I believe that the "Workers' Mailbox for Party Building" defends only the truth and our party's purity and does not give shelter to deception.

[Box p 2]

Editor's Note

We have transmitted Ms Chu Thi Minh Chau's letter to the minister of public health and met with some cadres concerned at the ministry to discuss the contents of that letter.

Representing the minister, Professor Hoang Dinh Cau, vice minister of public health, came to the LAO DONG editorial office to resolve the issues raised by Ms Chau. We also met with Nguyen Thu, secretary of the Hanoi Medical College CPV chapter. All of them acknowledged that what Ms Chau said is true; however, they differed with her on interpreting the details and meaning of the affair. We suggested that the school party secretary find ways to solve the affair promptly, but he adamantly maintained the disciplinary measure against Ms Chau. "We must do so," he stressed, "to make her understand that it is futile to rely on the press to free herself

from blame. (Please read the first part of Ms Chau's letter--Editor's note.) As for Mr Doc, we need time to send people into all these places and assign professional personnel to look into the affair. We will conclude it only when this is done. The inquiry may last 3-5 months, or longer, depending on circumstances...."

We publicly transmit Ms Chau's letter to the minister and leading officials of the Ministry of Public Health with the earnest hope that the minister will tell our readers how he intends to address the allegations made by Ms Chau against a prominent cadre of the Hanoi Medical College.

9213/9190

CSO: 4209/797

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

VILLAGE CPV OFFICIALS ACKNOWLEDGE ERRORS

Nam Dinh HA NAM NINH in Vietnamese 1 Jul 86 p 4

[Article by Tran Dai Quyet: "Concentrate on Definitively Solving Backlogs"]

[Text] To help the self-criticism and criticism drive generate tangible results and broaden democracy, the CPV committee of Hong Quang Village (Nam Ninh) has paid special attention to criticizing key cadres. Before the latter conducted self-criticism, the standing committee of the village party committee invited input from cadres, retired party members, mass organization representatives, and 23 administration officials. Discharging their political duties properly, these comrades contributed nearly 100 comments on key incumbents and the party committee. The party standing committee met with those key cadres who drew fire from the masses to urge them to volunteer for self-criticism before the collective. Violations uncovered by the masses were checked for accuracy and steps were taken to address them. The collective has assigned to each cadre a specific role in leading local revolutionary movements to achieve comprehensive development; at the same time, however, it has exposed individual flaws that are apt to curb the prestige and efficiency of leadership and guidance.

In his self-criticism, the party secretary acknowledged that due to poor health, in the past 3 years he has lost enthusiasm for work, often remaining out of touch with realities, ruling by administrative fiat, sometimes "doing things by halves," and failing to supervise economic units, even in carrying out production and profit-sharing plans. The village people's committee chairman has not guided sectors to act as competent managers for the state and has not strictly prosecuted cases of misappropriating public land, neglecting military obligations, and abandoning contract farming to embrace trade. The director of Nam Quang Cooperative has allowed his family to distill illicit liquors and was himself an alcoholic. Besides, his cooperative was involved in a wide array of festivities. The director of Nam Chan Cooperative took it upon himself to open in his agricultural cooperative a "service shop" contrary to regulations and engaged in business competition with the village marketing cooperative. He has not pursued economic violations with vigor, such as stealing goods from moving trucks, squandering and losing insecticide supplies, and paying wages to a deceased cooperative member. He has violated democratic principles in some instances by transferring cadres

and using personnel in various economic fields, and he was held responsible for a still cumbersome cooperative apparatus.

Reports on shortcomings involving key cadres, directly or indirectly, were checked for accuracy and discussed by the collective for redress. In solving cases of misappropriating public land, the village recovered 26,000 dong and 24 tons of paddy for the state. Nguyen Thi H, a warehouse keeper and party member, was fined 12,000 dong for the loss of 107 meters of colored embroidery silk. The plant protection chief of Nam Chan Cooperative was dismissed from office for violating regulations on the use of insecticide--resulting in a 172-kg loss--and was ordered to reimburse the cooperative for 7,830 dong. The cooperative deputy director who authorized the use of that insecticide contrary to regulations has being investigated for possible prosecution. Also the poultry farm chief and a financial cadre of Nam Chan Cooperative were removed for offenses against quality standards and official responsibilities. The cooperative management board has trimmed some of its components, bringing down the number of unit committee members from 3 to 2, and replacing 12 unit chiefs and 19 clerks for poor professional and moral capabilities. A few production units were being investigated for raising contract norms arbitrarily and violating managerial principles in wage computation. Hong Quang Village put in place a new management board in Tan Quang Cooperative after expelling its former director from the party and forcing its former chief accountant and warehouse keeper to resign and pay a 900,000-dong fine. Tan Quang Cooperative is now poised to press forward with a new line of products. In Hong Quang Village, party organizations, the administration, cooperatives, and mass organizations are reviewing and refining their work style, their managerial structure, and the scope of responsibilities of their leading political and technical cadres. That the flaws of local officials have been corrected with resolve has generated popular confidence; as a result, the movement for revolutionary action in the village is being enthusiastically supported by everyone. In recent days, while intensively harvesting the 5th-month crop and preparing the 10th-month crop, the people have put 618,000 dong in their saving accounts. More than 200 women in Hong Quang have volunteered for compliance with family planning measures.

9213/9190

CSO: 4209/825

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

CORRUPTION IN RAILROAD FACTORY SAID OVERCOME

Hanoi LAO DONG in Vietnamese 17 Jul 86 p 2

[Article by Quang Sinh and D.L.: [The Igniter"]

[Text] For years, whenever the subsidiary shop of the Di An railroad factory (Song Be) distributed production bonuses to its workers, a lot of groans were heard. A few people were satisfied while many were not. The reason was that the shop workers were not allowed to take part in the distribution process, which was imposed on them by the supervisor, along with total irrational regulations. For instance, each production unit had to draw on the bonus fund to give:

- 50 dong to the supervisor for entertainment expenses,
- 10 percent to the subsidiary shop administrative office (composed of the supervisor, deputy supervisor, and statistician),
- A premium to those who introduced new customers, and
- A premium to accountants in the financial bureau, those in charge of wages in the labor bureau, and once again to the supervisor.

Due to numerous disbursements, the workers--those engaged in production--received only paltry sums--even less than the young female statistician in the subsidiary shop did.

Although these irrationalities were obvious, they lasted 5 years. Nobody dared stand up to them. Why? Since the supervisor enjoyed vast arbitrary powers, people were afraid of retaliation.

One day, however, taking advantage of the nationwide campaign to conduct intraparty criticism and self-criticism an elderly worker at the subsidiary shop met with the CPV factory committee and later told a meeting about the situation. Following ignition of the fire, all workers no longer emitted subdued complaints; instead, they voiced their vigorous support. In the end, courage and straight-forwardness succeeded. This past May, for the first time shop workers received their undiminished bonuses.

After the victory, a worker noted that irrationalities were able to last 5 years partly because the collective of workers at the shop lacked the courage to fight. No one dared spill the beans. But another worker said that if whistleblowers spoke up at the time, they might have been silenced by now. In conclusion, everyone at the subsidiary shop believes that regular criticism and self-criticism are always the best coping measures. Truth always triumphs.

9213/9190

CSO: 4209/797

ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

TAX COLLECTION PLAN SUCCESS REPORTED

Nam Dinh HA NAM NINH in Vietnamese 20 Jun 86 p 1

[Article: "Industrial and Commercial Tax Sector Completes Collection Plan for First 6 Months of the Year 30 Days Ahead of Schedule--Tax Collection in Y Yen District Increases 119 Percent From Same Period Last Year"]

[Text] The industrial and commercial tax branch completed its collection plan for the first 6 months of 1986 in just 5 months.

Tax bureaus in Hoa Lu, Gia Vien, and Nghia Hung districts and Ninh Binh and Ha Nam cities exceeded collection norms by 5-20 percent. They closely followed market price fluctuations, adjusted taxes to the real business income of households which registered for business, and overcome the practices of protracted payment, underpayment, and evasion of taxes. Tax bureaus in Ninh Binh and Ha Nam cities and Nam Ninh District have coordinated with other sectors to control strictly the communications network, detecting and prosecuting many smuggling cases. In 5 months, they uncovered more than 200 instances of illegal trade, recovering over 100,000 dong in taxes for the state.

The tax branch is striving to complete its 1986 plan for industrial and commercial tax collection 1 month ahead of schedule.

By promptly adjusting taxes to real income and reviewing tax rolls to correct omissions, the industrial and commercial tax sector in Y Yen District has collected 1,402,000 dong--a 119-percent increase from the same period last year. Collection on 8 tax categories has all surpassed norms--300 to 350 percent for the commodity tax and the provisional commercial tax, more than 200 percent for the butchers' tax, and 150 percent for the business tax.

The tax sector has banded together with the villages to audit 594 business households, adding to the tax rolls more than 150 with total tax liabilities exceeding 19,000 dong a month.

In recent months, the Y Yen tax sector has adjusted the tax on business licenses to ensure a monthly collection of 166,000 dong. Control raids have led to the arrest of 73 cases of illegal business, recovering 80,000 dong for the state.

AGRICULTURE

VIETNAM

AGRICULTURAL LABORERS REPORT UNJUST TREATMENT

Hanoi DAI DOAN KET in Vietnamese 27 Aug 86 p 5

[Article by Tran Dinh Van: "When is Agriculture Truly Foremost?; Where is the Magpie, Where is the Cuckoo--Two-Way Contracts, A Fair Deal but Favoring One Side"]

[Text] The Fifth Party Congress considered agriculture as the foremost front and family economy as part of the socialist economy. The Congress Resolution made its debut during the middle of 1982 at a time in which agriculture was making unprecedented strides forward after 20 years of inaction. In grain alone, gradual progress was made toward self-sufficiency. The industrial crops all developed strongly, the areas of peanuts, jute, rushes, soybeans, sugar-cane, etc. all expanded, and export agricultural products nearly doubled.

Agriculture is foremost but a close study of specific positions and policies, especially those dealing with investment in capital construction, circulation and distribution, indicates that the foremost is not agriculture.

During 1984, agriculture developed slowly, many crops and animals marked time in 1985 and beginning 1986, farming, stock raising and trade sectors in a number of localities are on the decline. The areas and outputs of high export industrial crops such as tea, jute, rushes, etc. are all seriously declining because purchase prices are low and the grower cannot make a living. Vinh Phu is a tea growing land but during the past 2 years, tea area and output have continued to decline. Ha Nam Ninh has a tradition of raising rushes but never has the rush area been so reduced as this year. A shortage of sugar is new and strange; the high price of sugar surpassed all expectations and the area of sugarcane was sufficient to supply raw materials to refineries only operating at a portion of their capacity but in many places, the people did not raise sugarcane because the purchase price was too low. Hogs shared the same fate; the state has a monopoly on pork, purchased hogs at a price lower than the market price, and the people only raised enough to eat.

At the end of July 1986, I visited four villages in Ha Son Binh. Meeting a member of the Ung Hoa District Party Committee, I asked him why the laborer in the rural area had no production enthusiasm with a number of farmers turning in their fields and wishing to abandon the agricultural trade. He replied, "The people work but don't have enough to eat. When the purchase price of many things is not as much as the capital expended by the people, no one can be enthusiastic. Furthermore, for the past few years, many kinds of expenses and

contributions all connected with paddy seed have had to be subsidized by the cooperative and the cooperative member. Business accounting was begun but down in the village, the subsidization becomes increasingly severe. The cooperative must compensate the state with additional paddy and money to purchase pork, silkwork cocoons, paddy, etc., and the compensation of tens of thousands of dong must naturally be borne by the cooperative member. Everyone is in accord with subsidizing the families of fallen heroes and wounded soldiers and those with few helping hands but subsidization to nurture the apparatus in the village with its party, administration, mass organizations, etc., including rice and wine to entertain visitors from upper echelons cannot be endured by the people. I cite Lien Bat Village as an example: during 1985, Lien Bat subsidized the state with 1,612,800 dong and internal cooperative subsidization was 969,900 dong for an average subsidization per cooperative member family of 1,958 dong. This is the reason that the value of the man-day is low and that cooperative funds are depleted. The man-day value during 1982 was 1.1 kilograms, only 7 taels during 1985, and if this trend of subsidization continues, the man-day value during 1986 will be still lower. This is not counting the other losses that laborers in the rural areas must bear. The cooperative member is abandoning his fields or returning some of his contracted fields because he tries to work but his income is still not much and he wants to go engage in a little trade. If the policies were rational, the cooperative member would never abandon his fields."

Chau Giang District in Hai Hung Province during 1985 produced 35,000 tons of grain, an increase of 11,000 tons over 1980, but the grain stocks distributed to the cooperative members are the reverse; 20,000 tons during 1980 and only 18,000 during 1985. Some cooperatives distributed 13 kilograms of paddy per month to the cooperative members during 1980 and only 11.2 kilograms during 1985. The cooperatives in Ha Nam Ninh during 1985 alone had to deliver 700 million dong in compensation to purchase paddy and pork for sale to the state at the stipulated price with each cooperative bearing an average loss of 2 million dong which was ultimately shared by the cooperative members. During 1985, the state purchased 35,480 tons in paddy equivalent of paddy and pork and returned about 10,000 tons in paddy equivalent to Hai Hung agriculture (less than 50 percent of the amount purchased).

We still advocate satisfaction of the three interests but clearly during the recent past in agriculture, no concern has been given the interests of the laborer. A number of policies, despite unsympathetic public opinion, have still not been corrected.

The three subjective and impatient economic methods pushed agriculture, already in difficulty, into increasingly redoubled difficulty. A number of cooperatives deposited their accumulated capital in the bank but after the currency exchange of 10 dong for 1, the prices of everything, including various agricultural materials, all rose 5 to 7 times with some things 8 to 9 times, and an average of up to 70 percent of the capital was suddenly lost. A number of cooperative members with a little money deposited in the bank suffered the same losses. Even more serious to the farmer was that, after the money exchange and price readjustment, many types of products had to be sold at the state price but many essential consumer items had to be purchased on the outside market at

an extremely high price, and the farmer lucky enough to acquire a suit of clothes must make extremely stingy calculations. Our economy presently relies primarily on agriculture, and the highest priced export goods are all produced by agriculture: peanuts, jute, shrimp, coffee, tea, etc. Many industrial facilities (weaving, plastics, laundry soap, machinery, etc.) must rely on the source of export agricultural goods for foreign exchange to buy raw materials, supplies, spare parts and machinery from foreign countries. An excessively slow rate of development like now of agriculture with its unprecedented reduction in crops and animals adversely affects the entire economy. To state that agriculture is foremost, it is first of all necessary to ensure that the agricultural laborers have a minimum standard of living and stand in the front rank. If more is impossible, they must at least receive treatment equitable with other laborers with no excessive losses. As seven cadre groups, recently returned from an agricultural investigation of seven provinces in the north, reported, "It is necessary to ensure that the laborer has true collective ownership of the products he produces (the collective ownership rights of agricultural laborers are presently being seriously violated and the motive force stimulating their production enthusiasm is being eliminated).

An agency purchased jute from a cooperative but had no money and made the purchase on credit, and the cooperative was also forced to store the jute. It appeared to be a fair deal but clearly the buyer benefited with the money losing value each day while the seller suffered a loss for every day the money was not received. However, that was not the end of the overbearing attitude because it was several months later before the agency came to pick up the jute, complained that the quality was not the same as when purchased, and forced the cooperative to cut down the price. The cooperative knew it had been extorted but still had to grit its teeth and give in.

Rush growers in Ha Nam Ninh bringing their rushes for sale find that raw materials don't return as much money as the capital expended, labor investment in the rush crop is four times that of sugarcane, accounting shows a 9,000 dong per hectare loss compared with rice growing, and nearly all the families who know only how to grow rushes are shifting to other crops. By raising rushes and having their families fashion products from the rushes (mats, rugs, handbags, baskets, etc.), they are still able to live. A number of cooperative member families both raise rushes and plait and weave rushes but it is still a difficult life. Some purchasing agencies sometimes commercially force the rush grower to sell his crop to the agency, naturally at the stipulated price, and then the local small industry and handicrafts sector returns rushes to the same rush growing family for processing into products. Through several roundabout steps of assignment, delivery, selling and buying, the rushes circle back to the rush grower, a hardship for the agricultural labor engaged in concurrent trade sectors, a single and a double loss.

In Thai Binh, after signing a contract, a tradesman buying raw materials must pay the foreign trade agency immediately but when delivering his product, it takes at least 6 months to get his money. The foreign trade agency is misappropriating the money of the cooperative at a time in which the cooperative must borrow capital from the bank.

A number of economic agencies and state-operated water conservancy, crop protection, tractor, etc. agencies have not yet supported agricultural production as their mission suggests and often intentionally engage in agitation and blackmail. Many agencies are slow in repaying agricultural cooperatives not because they have no money but because poor quality cadres intentionally retain the money to make the rounds of enterprises and corporations needing cash to make loans for monetary or in kind profits, and repay the agricultural cooperative when it is beneficial to them. A state agency takes the blame for the money they divide up and put in their pocket. A number of intermediate components display additional kinds of tasks, not a bit effective, both as an excuse for introducing additional relatives and friends to the agency, and to force the agricultural cooperative to dependently move through one layer and step after another, and to humble itself and to beg, with the producer forced to "grease palms." The people and basic level cadres have made constant appeals without change, composing folk songs and tales with all types of ironic examples and powerless complaints.

Two years ago, I still recall, I accompanied several cadres from the central government to H. Province to examine the movement to build the new life and new man in the rural area. During a break in the work with the cadres of one village, I was wandering about the area of the village party committee office when I suddenly heard a question from near the well, "How many cuckoos, how many cuckoos in all, Mr. Luong?"

A voice resounded from one of the rooms, "Six, all drivers." I recognized the voice of one of the office staff who had just greeted us, cordially led us to the well to wash our hands, and introduced himself as Luong.

Cuckoos? Very strange. Why were we called cuckoos? I was very perplexed and during the noon break, I asked the cooperative director. He laughed and explained, "The cuckoos are not your group but your cars resemble those driven by the men who often come to order and pick up goods at my cooperative so my sister thought you were the cuckoos. I wish to tell you the truth about the cuckoos but I must talk about the magpie first. In the rural area, the magpie usually builds a nest before laying and hatching its eggs, and it carries piece after piece of trash and straw to diligently and gradually assemble a nest in the top of a bamboo stalk or tree in a garden or outside a gate. Children following the magpie notice that it takes a full month to finish the nest and when just completed, a cuckoo arrives to occupy the nest to lay eggs and raise its young. The cuckoo is a species of bird specializing in occupying the nests of magpies and is healthier and more powerful than the magpie. When it sees a cuckoo lying in the nest, the magpie finds somewhere to build another nest. Our circumstances under the village are similar with the trade sector producing various types of goods to supply commerce or foreign trade at an extremely low contract price. The tradesman often does not have enough to live on and agriculture must be used to subsidize and nurture him. The goods are exported to foreign countries at a price we never know, and we never get a whiff of the foreign exchange but only see that the life of the producer is extremely distressed. However, when we go to the homes of those still returning here to order and pick up goods, every one is rich. It is the people who are working for them and the efforts the people expend from growing the raw materials to

producing the product are arduous and difficult. It is exactly like the life of the magpie so those who specialize in taking advantage of our sweat and tears are called cuckoos by the people."

At the end of July 1986, I accompanied a group of cadres inspecting the rural area in Ha Son Binh Province. In the midst of a meeting with the party committee, cooperative board of directors and unit cadres in Dung Phong Village of Ky Son District, I was resting at noon and about to doze off when suddenly I noticed the village cadres sitting and talking with each other near the village school. They were talking about cuckoos and magpies. I could rest no longer and went across to contribute to the conversation. First of all, I told the story of the "cuckoo and the magpie" that I had heard several years before in H. Province. I asked them if their region also had cuckoos and magpies. They immediately replied, "Around here, the forest is filled with birds and animals, sir." They said that Dung Phong Village had no trades but in many other aspects, their status resembled that of the magpie, working much but enjoying little, and occasionally other locations grabbing every opportunity.

There are even some cases of working much and eating little but not eating is an occurrence that should not be prolonged in the rural area and every method must be found to restrict it with specific methods for halting kickbacks and extortion of agricultural laborers.

I have just read a report sent in on 15 July 1986 from a man accompanying a group of cadres from the Cuu Long Provincial Party Committee that inspected the situation of four districts in the province (the report was sent to a number of agencies in the central government).

The report stated that five villages each had about 3,000 to 5,000 people with not enough to eat during the three preharvest months each year, and that three districts each had up to 20,000 people with a shortage of food during the same period. One division reported that about 1,000 households had nothing left to sell for food. The people in a number of villages had no mosquito nets, up to 50 percent of their clothing was tattered and torn, and many children did not attend school because their parents had no money to buy books. The report observed that in some locations, the meeting hall, theater and canteen were spacious and beautiful but many classrooms did not have enough furniture or the furniture was flimsy and broken down.

The districts recorded in the report are all next to rivers and the sea and have sources of marine products from the primary products (shrimp and fish) to by-products (shrimp sauce) and scraps (animal feed), all of export and domestic value, so why aren't they as well off as a number of other districts with the same circumstances. One district spent independently acquired capital to restore and place in use the province's shrimp sauce enterprise located within the district that had long been closed because the machinery was broken down and would not operate. When the shrimp sauce enterprise returned to production, the province reclaimed it and the district lost a source of revenue. An unknown percentage of Cuu Long farmers lack food and clothing because of cold weather and drought, insects and salty alum soil, because of policies inconsistent with local reality, because of agitation and blackmail, etc., and even the

narration requires deep analysis. To find out whether the situation of the rural area in Cuu Long is unique or not demands that cadres responsible to provinces and cities take the initiative to delve into the hamlets to directly meet with, listen to and observe the people before finding the primary sources and reasons for the weaknesses that have created the present negative aspects in the rural area, and before defining a policy for untangling what steps in order to clear the obstacles and return agricultural production to strong development as during the 1982-1983 period.

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LABOR

VIETNAM

BRIEFS

TRADE UNION ACTIVITIES--Carrying out a directive of Chairman (of the Council of Ministers) Pham Van Dong, in the first 6 months of 1986 the standing committee of the Hanoi trade union federation has guided its echelons to speed up the activities of trade union control committees at various levels. According to statistics, the city now has 1,238 trade union control committees with 4,044 members. These committees are focused on basic trade union activities--implementation of procedures and policies, financial activities, and living standards. In the first 6 months of 1986, the control committee of the trade union federation has received from workers and civil servants 98 complaints, solving 61 of them and referring 28 to responsible organs for settlement. The federation has directly solved 39 complaints submitted by workers and civil servants, including 2 cases in which people previously forced to resign have been reinstated. [Article by T.T.] [Hanoi LAO DONG in Vietnamese 17 Jul 86 p 3] 9213/9190

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END

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DATE FILMED

Nov. 3, 1986

